

# LEGISLATIVE RESEARCH COMMISSION

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## WOMEN'S NEEDS



REPORT TO THE  
1983 GENERAL ASSEMBLY  
OF NORTH CAROLINA  
1984 SESSION



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June 7, 1984

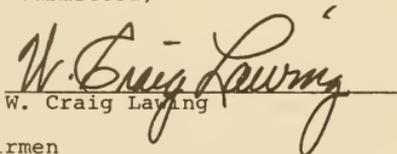
TO THE MEMBERS OF THE 1983 GENERAL ASSEMBLY (1984 SESSION):

The Legislative Research Commission herewith reports to the 1983 General Assembly, Second Regular Session 1984, on the Economic, Social and Legal Problems and Needs of Women. This report is made pursuant to House Bill 1142 (1983 Session Laws, Chapter 905) of the 1983 General Assembly.

This report was prepared by the Legislative Research Commission's Committee on Women's Needs and is transmitted by the Legislative Research Commission for your consideration.

Respectfully submitted,

  
Liston B. Ramsey

  
W. Craig Lawing

Cochairmen

Legislative Research Commission



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I N T R O D U C T I O N



## INTRODUCTION

The Legislative Research Commission, established by Article 6B of Chapter 120 of the North Carolina General Statutes, is composed of twelve legislators who study a broad range of subjects authorized for study by the General Assembly (Membership, see Appendix A). During its 1983 Session, the General Assembly directed the Legislative Research Commission to continue to study the economic, social and legal problems and needs of women in North Carolina.

Senator Helen R. Marvin, serving as member of the Commission, was appointed as Legislative Research Commission member in charge of the study. Senator Marvin and Representative Ruth M. Easterling were appointed as Cochairpersons of the Committee. Also serving on the Committee were Senators Rachel G. Gray, William G. Hancock, Jr., Lura Tally, and Representatives Anne Barnes, H. Parks Helms, Walter B. Jones, Jr. and public members, Mrs. Alice W. Gatsis and Mrs. Nancy Jones. (Membership, see Appendix B).

Staff assistance was provided to the Committee through the Legislative Services Office. Mrs. Sue Robertson served as Committee Clerk.

House Bill 1142 is an omnibus bill which authorizes the Legislative Research Commission to study many topics, including the economic, social and legal problems and needs of women (Appendix C). This legislation also enables the Commission to consider "the original bill or resolution in determining the nature, scope and aspects of the study." The resolution to which it refers, House Joint Resolution 904, (See Appendix D) provides:

"Section 1. The Legislative Research Commission may continue its study of the entire range of the economic, social and legal problems and needs of the women of the State of North Carolina."

This report presents a summary of Committee proceedings, findings, recommendations and proposed legislation for action during the 1984 General Assembly. It also recognizes areas where the Committee concludes that additional research and study of the mandated topics would be additionally productive.

COMMITTEE PROCEEDINGS



## COMMITTEE PROCEEDINGS

This report is issued as a result of three meetings held by the Committee on November 3, 1983, January 10, 1984 and April 5, 1984. The organizational meeting was chaired by Senator Marvin who, following an expression of appreciation for the efforts of the Women's Needs Study Committee from 1981-1983, thanked the current members of the Committee for their commitment to the tasks ahead.

### November 3, 1983 Meeting

Committee Counsel, Ms. Ann Christian, was recognized to review the action of the 1981-1983 Women's Needs Study Committee. Discussion of legislation of special interest to the Committee followed; with an emphasis on provisions of legislation enacted during the 1983 Session to establish a self-initiating procedure to insure payment of child support (Senate Bills 89 and 90, Appendixes E and F).

Mr. Franklin Freeman, Director of the Administrative Office of the Courts, joined the meeting to give an update on the implementation of Senate Bills 89 and 90. He praised all parties involved for their spirit of cooperation while outlining the activities of clerks of court in hiring employees, searching records, updating forms and new methods of record keeping as well as adding equipment in some counties. He stated that by October 1, 1983, a minimum of 90 percent of North Carolina counties had totally updated their accounts. This was particularly noteworthy in that the new Safe Roads Act of 1983 (Senate Bill 1) also required a concurrent effort on the clerk's part to set up its operation. He committed his Office to continue to work with the clerks who are using funds provided to the Administrative Office of the Courts until more funds are available as

a result of savings to the Department of Human Resources due to the increased collection of child support. He also agreed to provide future consultation to the Committee to insure the smooth operation of child support collections.

Ms. Christian then continued to provide the Committee with background information regarding the status of previous work of the Committee, actions regarding child support which are being contemplated by the U. S. Congress, and information pertaining to the subject of sex discrimination in insurance.

The Committee then discussed major issues before it while prioritizing them according to need and available solutions. These issues included: comparable worth, work and social security benefits, child support, insurance, fair employment, equitable distribution of marital property, pensions, revisions in inheritance tax laws, and an increase in Aid To Families with Dependent Children (AFDC) payments. The initial priorities of the Committee were set forth as benefits, insurance, and inheritance taxes. The Committee also requested that the Department of Natural Resources and Community Development provide information concerning a program it administers, the Job Training Partnership Act (JTPA). The Committee planned to review the garnishment bill which was originally developed by the Women's Needs Study Committee, but substantially amended in the Senate before its passage by the Senate and over to the House (Senate Bill 514 - Child Support Garnishment). It also planned to study a bill ratified in 1983 which establishes procedures and sets fees for the collection of child support. Also, Committee Counsel was instructed to mail notification of the Committee's support of an increase in Aid to Families with Dependent Children (AFDC) payments of 10% for the first year with annual increases to bring it up to the poverty level. This notification was to be mailed to the Secretary of the Department of Human Resources and Chairmen of the House and Senate Appropriations Committees.

Finally, review of the Committee priorities and its budget led the Committee to direct the members and leadership to request additional funding so that the Committee might issue an interim report for the 1984 Session and continue its work to the 1985 Session.

January 10, 1984 Meeting

Senator Marvin welcomed Mr. Franklin Freeman, Director, Administrative Office of the Courts, who identified himself as the bearer of good news. While there had been a 13% increase in child support payments in the last few years, following the October 1, 1983 effective date of the new child support legislation (Senate Bills 89 and 90), the collection rate had jumped to a 21.5% increase or \$1.2 million. He stated that this increase is directly attributable to this legislation and that this collection increase trend should continue for several months due to many who are "catching up" on arrears.

In response to the Committee's inquiries concerning the effectiveness of the legislation and whether or not there are any portions of the legislation which need to be further refined, he cited one judge's interpretation of the probation provision which the Committee reviewed. Committee Counsel submitted a draft of proposed legislation, AN ACT TO CLARIFY THE PROCEDURES TO INSURE PAYMENT OF CHILD SUPPORT, to further state the Committee's intent. However, the Committee was not convinced that the legislation was necessary at present and proceeded to direct the Cochairpersons of the Committee to determine whether it should be included in its interim report to the General Assembly.

In further response to the issue of future refinement of the child support legislation, Mr. Franklin cited several potential concerns he had concerning its implementation in the future. One is the payment of attorney's fees in civil suits; another, the expectation from a parent that large arrearages will be paid immediately as a result of the legislation; and finally, the

potential problem of a court backlog and the need to provide additional judges to hear these cases.

Representative Barnes expressed the Committee's appreciation for the excellent work of the clerks of court who had expended added effort during the last several months to facilitate the new child support collection procedures. Senator Marvin cited the contributions of others, in particular the North Carolina Child Support Council, and expressed the hope that informative seminars or informal meetings be held in each judicial district to enlist the support of the entire judicial system in enforcing the law.

Ms. Carol Spruill, an attorney with East Central Community Legal Services, addressed the Committee on "Legal Assistance in Obtaining Child Support" (Appendix G). She commented that the main amount of child support received in 1981 was \$2,100 per family regardless of the number of children in the family. She shared the results of a California study showing that, on the average, following a divorce the husband's standard of living went up 42% and the wife and children's went down 73%. She cited a Colorado study which found that in two-thirds of the cases, the car payment was more than the child support paid.

She expressed concern with the fees imposed upon a custodial spouse who seeks collection of child support via the "IV-D Program" as a result of House Bill 186 (1983 Session; Appendix H). She felt that creating a debt against the family, collecting ten percent (10%) from the family rather than the supporting spouse not meeting his obligation (in order to reimburse the agency for its assistance in collecting the child support), and mandating a \$20.00 application fee would thwart the collection effort and further minimize the family's support.

Mr. Clifton Duke, Assistant Attorney General assigned to the Department of Human Resources, spoke in defense of the fees imposed by House Bill 186. He asserted that the \$20.00 application fee is not always imposed; each case

is considered individually. He justified the ten percent (10%) application fee as a means to protect the counties and not to penalize the family. He expressed his feeling that the fee charges fall in the "middle road" in comparison to other states with fees for comparable services. In conclusion, he encouraged the Committee to give the Department of Human Resources time to assess the effectiveness of House Bill 186 before modifying the current law.

Turning to the issue of garnishment of wages to collect child support, Mr. Duke spoke on Senate Bill 514 (1983 Session; Appendix I) and how it compares to the Federal Mandatory Garnishment Act which is currently being considered by Congress. He explained that the Federal Act would require every child support order to include garnishment rights.

The Committee considered the changes in Senate Bill 514; which was originally introduced as a bill authorizing garnishment of wages in criminal orders for child support but evolved into a committee substitute enabling employers to impose a one dollar (\$1.00) processing fee when garnishing wages as a result of civil orders for child support.

The Committee expressed concern that the committee substitute contained confusing language and directed staff to develop a version eliminating this language. Committee Counsel was also directed to draft a letter to the Speaker expressing the Committee's interest in the legislation.

The Committee then considered a bill clarifying G.S. 147-62 (Appendix J) to enable state employees to assign wages for child support obligations. The Committee directed this draft to be included in its Interim Report to the 1984 General Assembly.

The Deputy Secretary of Programs for the Department of Administration Mr. Henry McKoy, described the Department's support of House Bill 299 (Appendix K, 1983 Session; Minority/Women Business Enterprises) with changes. First, he noted the need for the appropriation to remain in the

in the legislation empowering the State, as well as municipalities and counties, to make these contracts. Also Mr. James Polk, a Charlotte citizen representing the Council on the Status of Women expressed support of the legislation and described the great need for it.

The Committee then voted to recommend legislation similar to House Bill 299 (1983 Session) but with three features included. They would involve inclusion of (1) the appropriation in the legislation, (2) on line 17 the words "or to redress past discrimination" be deleted and (3) on line 11 add "any department, agency, or any division of any department or agency of the State or".

Because a new Secretary had been named recently for the Department of Natural Resources and Community Development and other resulting personnel changes had taken place, Ms. Paula Burger, the new Assistant Secretary for Policy Coordination and Mr. Wayne Daves, Director of Employment and Training, appeared to describe the Job Training Partnership Act (JTPA). Mr. Daves noted that the focus of the program is on training and placing people in jobs, largely in the private sector.

Ms. Sabra Faires, Staff Attorney with the Legislative Services Office, discussed basic elements of North Carolina's inheritance and federal estate tax. Representative Barnes discussed the recommendations from the Conference on Women and the Economy concerning these issues. Ms. Faires concluded the discussion by informing the Committee that the Revenue Laws Study Committee could have a recommendation to the 1984 General Assembly on several of these subjects.

Next to appear before the Committee was Mrs. Hazel P. Andrews, President of the North Carolina Federation of Business and Professional Women's Clubs. She spoke on the topic "Insurance Discrimination in North Carolina" and advocated equal treatment for both males and females in insurance (Appendix L).

Ms. Ann W. Chipley, Executive Director of the North Carolina Council on the Status of Women, addressed the members on the topic "Protection of Group Insurance for Divorced and Widowed Spouses" (Appendix M) and made remarks describing two aspects of the Job Training Partnership Act (JTPA). She noted that the performance criterion for the JTPA is the reduction of welfare dependence and because the vast majority of welfare recipients are women that the JTPA should be serving a majority of women. Also, she pointed out that a certain percentage of funds must be allocated to disadvantaged youth, half of whom are women. In reference to insurance, Ms. Chipley explained the need to be certain that the insurability of women is protected. She further advocated the passage of a bill similar to the 1983 Session's House Bill 805 (Appendix N).

A lengthy discussion of group health coverage, conversion privileges and rate protection followed. Senator Hancock said guaranteeing a continued insurance rate and guaranteeing insurability are two different aspects of the issue. The question was then raised: "Why, if coverage is actuarially sound before death or divorce, would the coverage not be actuarially sound after death or divorce?" In addition, Representative Barnes voiced a concern that there needs to be protection for those self-employed persons who are insured through association and trade organizations at a group rate.

In response to questions, Mr. Brad Adcock, Director of Governmental Affairs, Blue Cross/Blue Shield, stated that his company had always allowed a group-insured participant the opportunity to enroll for conversion policy coverage. He spoke to the issue of a potential increase in rates and the disadvantage of this increase in order to benefit an employee's family when the intent is that the coverage be for the benefit of the employee.

Representative Helms moved that legislation be recommended based on

House Bill 805 but that it be made inapplicable to situations where a divorced or widowed spouse has the ability to be covered by another employer or group-sponsored plan, omit the reference to "10 years" which Ms. Chipley had discussed, and make it applicable to Chapters 57 and 135. The Committee then voted to authorize designated Committee members to further refine this legislation incorporating the concerns of the Committee.

Ms. Armetta McPherson, representing the Department of Insurance, expressed her regret that no spokesman for the Department was available to attend the meeting. However, a written report on "Sex Discrimination in Insurance" would be sent to the Committee as requested.

Additional comments on the subject of insurance for women were made by Mr. Ruffin Bailey, Attorney representing the American Insurance Association. He expressed the view that to do away with gender as a criterion for setting rates would mean that women would pay more for insurance coverage; while citing the experience of insuring auto property and casualty losses as the example. Representative Easterling responded that the broad picture of insurance must be reviewed and although eliminating gender as a basis for setting rates in one area might cost women more in other areas it might lower premiums and raise benefits to women in general.

Finally, Mr. Charles G. Powell, Jr., Senior Vice President and General Counsel of Jefferson Standard Life Insurance Company, expressed his view that to do away with gender-based classification would be costly. He encouraged the Committee to wait until Congress acts on two bills before it now before it decided this issue and then he encouraged the Committee to follow the federal precedent.

Turning to the subject of the Work Option Program in state government, Mr. Dusty Wall, representing the Department of Administration, described

the Program and its benefits. The Program's usefulness was described to include: (1) helping to solve work force number problems (2) helping to significantly increase productivity and efficiency and (3) possibly alleviating work schedule conflicts. He concluded with the comment that the Program is a plus when applied to accommodate new life styles but is a negative in providing the employee with fringe benefits.

Committee Counsel then reported that the Committee's endorsement of the Conference on Women and the Economy's position, that Aid to Families with Dependent Children (AFDC) payments should be raised by ten percent (10%) during the fiscal year 1984-85 and gradually raised to the recognized poverty level, was communicated by letter to the Department of Human Resources and Chairmen of the House and Senate Appropriations Committees, as directed.

In conclusion, Mrs. Nellie Riley, State Director of Affirmative Action with the Department of Administration, presented the Committee with copies of a study made two years ago on comparable worth and pay equity. The Committee recognized that other interested groups are considering this issue so it was the Committee's decision to hold all recommendations concerning this issue.

#### April 5, 1984 Meeting

The Committee met to consider its proposed report to the Legislative Research Commission. In addition, it received information on several subjects and briefly discussed its future action.

Members turned to the product of the Committee's work early into the meeting, the recommended legislation. The first proposed bill, AN ACT TO AMEND G.S. 110-136 TO AUTHORIZE A GARNISHMENT PROCESSING FEE, was considered as a proposed Committee Substitute for Senate Bill 514 (introduced during the 1983

Session). This bill would authorize an employer to retain a one dollar (\$1.00) processing fee each time he garnishes his employee's wages. The Committee voted to include this legislation in its collection of recommended legislation (see "L-1").

Proceeding to "L-2", AN ACT TO PERMIT ASSIGNMENTS OF STATE EMPLOYEES' WAGES MADE TO MEET CHILD SUPPORT OBLIGATIONS, the Committee endorsed this bill to permit civil garnishment of university and other state employees' wages for child support.

"L-3", AN ACT TO AUTHORIZE LOCAL GOVERNMENT TO IMPLEMENT AND COMPLY WITH MINORITY OR WOMEN'S BUSINESS ENTERPRISE REQUIREMENTS FOR LOCALLY FUNDED PROJECTS, was described by Mr. Jack Nichols, Special Assistant for Legal Affairs, Department of Administration and Mr. Henry McKoy, Deputy Secretary of Programs, Department of Administration. Senator Hancock, noting the value of this legislation, concurred with the Department of Administration that the State is presently empowered to make these contracts and does not need to be covered by this legislation. Consequently, the Committee instructed Counsel to delete section one and adopted the renumbered sections as the Committee's endorsed legislation (see Appendix O for original bill).

Two bills allowing continued health benefits at group rates for dependents originally covered by a spouse's insurance in cases of separation, divorce, or death of the other spouse were presented by legislative attorneys, Mr. Bill Hale and Mr. Gerry Cohen. The first bill, designated "L-4" and entitled AN ACT TO AMEND THE HEALTH INSURANCE CONTINUATION AND CONVERSION PRIVILEGES LAW BY PROVIDING EXTENDED CONTINUATION PRIVILEGES TO SURVIVING, SEPARATED, AND DIVORCED SPOUSES AND BY CLARIFYING THE DEFINITION OF GROUP POLICY, would apply to the private sector. The second bill, designated "L-5" and entitled AN ACT TO PROVIDE EXTENDED CONTINUATION PRIVILEGES UNDER THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN TO SURVIVING AND DIVORCED SPOUSES AND SPOUSES WHOSE COVERAGE IS CANCELLED AT THE REQUEST OF THE OTHER SPOUSE, would apply to State

coverage. With the statement by Senator Gray that these two proposed insurance bills were among the greatest things that could be done for women of North Carolina, the Committee voted to recommend these bills to the Legislative Research Commission for passage during the upcoming Session.

A clarifying amendment to legislation which was originally proposed by the Committee to insure payment of child support (see Appendix F) was also recommended for inclusion in the Committee's Report (see AN ACT TO CLARIFY THE PROCEDURES TO INSURE PAYMENT OF CHILD SUPPORT, designated "L-6"). This amendment clarified the original intent of the proponents of Chapter 567, 1983 Session, that child support could be ordered to be paid as a condition of a suspended sentence.

The Committee was then provided information regarding topics such as inheritance laws, a uniform marital act, and the composition of women in the poverty class of North Carolina. Senator Marvin specifically cited a uniform marital property act as a subject the Committee will be interested in studying should funding be made available for future meetings.

A final bill voted to be included in the Committee's Report was legislation with the title AN ACT TO EXEMPT FROM INHERITANCE TAX ONE-HALF THE AMOUNT OF CERTAIN PERSONAL PROPERTY HELD BY A HUSBAND AND WIFE AS JOINT TENANTS WITH RIGHT OF SURVIVORSHIP ( see "L-7"). This legislation would exempt one-half of certain personal property inherited upon a spouse's death, such as a bank account which would be in the names of both spouses with a right of survivorship, from inheritance tax. Also, if the spouse can show that he or she provided over one-half of the funds in the bank account or used to acquire the corporate stock or investment securities, then the spouse will be exempt from paying inheritance tax on that property.

Other Committee recommendations included support for continuation of funding in the Base Budget, when appropriate, of the following programs: (1) The Study Committee on the Needs of Women; (2) Aid to victims of spouse and child

abuse; (3) Day care for adults and children; (4) Mandatory mediation; (5) Implementation of procedures to collect child support; and (6) the Council on the Status of Women.

The Committee's Report was approved with two additional recommendations. The Committee voted to support legislation substantively similar to House Bills 88 and 104 which were introduced during the 1983 Session. House Bill 88 would do as its title, AN ACT TO RAISE THE ANNUAL GIFT TAX EXCLUSION FROM THREE THOUSAND DOLLARS TO TEN THOUSAND DOLLARS, indicates and bring the State tax exclusion into line with the federal gift tax exclusion (see Appendix P). House Bill 104, entitled AN ACT TO ALLOW ONE SPOUSE TO APPLY BOTH HIS GIFT TAX ANNUAL EXCLUSION AND HIS SPOUSE'S ANNUAL EXCLUSION TO GIFTS MADE TO ANYONE OTHER THAN HIS SPOUSE, would make North Carolina's policy similar to the federal government's policy (see Appendix Q).

The Committee adjourned with the knowledge that many other issues affecting the needs of women should be addressed following the 1984 Session of the 1983 General Assembly.

F I N D I N G S



## FINDINGS

After thoughtful consideration of the testimony and other information presented at its meetings, the Committee studying the economic, social, and legal problems and needs of the women of the State of North Carolina makes the following findings:

1. Women are becoming a greater portion of the poverty class in North Carolina. Studies indicate that at every age females are more likely to be poor than males. This difference in poverty rates increases as women grow older. Also, poverty rates are highest in homes with females and no husband. Demographic trends indicate that the number of female householders and females over 65 are likely to increase dramatically.

2. The "wage gap" between men and women has, if anything, grown slightly over the last forty years. In 1939 women's wages were 63 percent of men's. In 1959 women earned 61 percent of what men earned. In 1977 women were earning 59 percent of what men were earning.

3. The gap between male wages and female wages is not only created by unequal access to jobs and the failure to pay women equal pay for equal work but also by valuing women's work of comparable worth less than a man's work. Although the 1963 Equal Pay Act guaranteed equal pay for equal work, women who work full time still earn 59.8 cents for every dollar a man earns. According to Janet Norwood, Commissioner of the U. S. Bureau of Labor Statistics, even when education, job experience, responsibilities and other job characteristics are factored into the equation, there remains a 27 percent wage gap.

An explanation appears that women do not work the same jobs that men do and the jobs they have traditionally held are the lowest-paying jobs. Yet these positions require a wide range of skills and some require much more education, special abilities, and experience than jobs that are traditionally held by men.

Resolving this inequity has prompted the development of the pay-equity or comparable worth concept. For while unequal pay for the same job is clearly discriminatory, it is also the position of those advocating pay equity, (equal pay for work of comparable value) that unequal pay for the comparable jobs is clearly discriminatory.

4. As economic need requires more women to adapt their role as the parent with domestic responsibilities to include also the responsibility of family breadwinner, it becomes more imperative that women be assisted to learn the skills necessary for employment at a higher salary. Whether it is as the single parent providing for a child(ren) or a parent within the traditional framework of a marriage, women generally work as a result of need rather than simply as a matter of preference. Because jobs that are typically filled by women are typically at the bottom of the wage scale, often a woman can better provide for her family in a job which is more typically filled by a male. However, few women are trained to fill these non-traditional positions and assistance in acquiring the new skills necessary

5. Child support received by a custodial spouse is often inadequate to meet the needs of the family. The standard of living of a mother and child(ren) following a divorce drops dramatically. One California study stated that on the average a husband's standard of living rises 42% while the former wife and children's goes down 73%. A Colorado study found that in two-thirds of the cases the car payment was greater than the child support.

The inadequacy of child support results from both inadequate amounts ordered to be paid or agreed to be paid by a supporting spouse and by the fact that collection procedures are woefully inadequate. Streamlined procedures, the proper equipment, and trained personnel are all ingredients prerequisite to a properly-functioning court system capable of serving custodial spouses and children. North Carolina has made significant strides in this direction

but collection procedures may require further refining and additional funding.

6. Child support collection costs are considerably less than the burden taxpayers assume as they presently assist or fully support many single-parent households through welfare. Furthermore, as collection procedures become more efficient and communities send the message through their courts that an able parent must support his or her child, the tax burden for child support through public assistance programs should be significantly reduced.

7. Children are our future and if we fail to provide proper child care and support then many of our children will be without good nutrition, good health (including dental) care, sanitary living conditions, and the educational opportunities which are the basis for a better tomorrow. The critical needs of North Carolina's children are not being fully met by many of their parents or their communities. Failure to consistently and adequately meet the needs of our children takes a physical and psychological toll which will be felt for generations to come.

8. North Carolina benefits under Aid to Families with Dependent Children (AFDC) are clearly inadequate. In 1982 a mother of two children receiving the maximum AFDC payment and also food stamps had an annual income which is only 57 percent of the 1981 poverty level guidelines for a family of three.

9. Sex discrimination in insurance has not been eliminated in North Carolina. Although in the one area of benefit to women where rates were based on sex classification, automobile insurance, the sex classification has been eliminated, in other areas of insurance sex discrimination is pervasive. This discrimination affects the rates that women pay for insurance and the availability of various types of insurance and insurance options as well as the benefits they receive.

10. There is significant evidence that sex discrimination exists in regard to life insurance. Women generally pay less for life insurance than

men because, as a group, they generally live longer than men. However, the rates do not fully reflect this longevity. While rates are usually calculated on a three-year setback from men's rates (just like rates for a man three year's younger), current actuarial tables used to calculate pension/annuity rates project that women live six to nine years longer than men. Also, some options available to men are not available to women. Some companies will not sell a married woman a greater amount of coverage than her husband owns; guaranteed purchase options to buy additional coverage without evidence of insurability are not as readily available to women as men; and if waiver-of premiums options are available to women as men; they cost women one and one-half times more than men similarly situated.

11. There is significant evidence that sex discrimination exists in regard to health insurance. The cost of health insurance for women with identical coverage as men is often much higher than a man's cost. Also women often cannot get coverage for pregnancy, family planning, or gynecological services. Insurance companies consider pregnancy a "voluntary" condition and refuse to cover it for that reason. However many policies cover men's "voluntary" conditions such as vasectomies, cosmetic surgery, and sport injuries.

12. There is significant evidence that sex discrimination exists in regard to disability insurance. Generally there are longer waiting periods, shorter benefit periods and lower maximums for women than for men. But even with these serious disadvantages, some women cannot purchase disability insurance for any price. This is often true for women in occupations such as waitress or domestic worker, although men in these positions appear able to acquire disability insurance. Also, it is often the case that part-time workers cannot get disability insurance and because women compose seventy percent of the part-time labor force, this has a disproportionately negative effect on women.

13. There is significant evidence that sex discrimination exists in regard to property, auto and liability insurance. Although North Carolina is one of a few states that has eliminated sex discrimination in auto rates (young women were paying less than young men), the effects on rates have been marginal. In the areas of property and liability insurance women often have more difficulty in getting homeowners insurance and often this is an additional disadvantage because commercial credit is often linked to adequate insurance. When applying for business insurance women are often stereotyped as a sex by individual agents and underwriters. Different treatment of women is widespread and not uncommon in the insurance industry.

14. Of the last \$550 million of business of the State of North Carolina, only one percent (1%) was done with minority/women business enterprises. Promoting women in business will further reduce the number of women who must rely on public assistance for themselves and their children.

15. Inheritance laws in North Carolina fail to treat women as an equal partner. The rural economy of North Carolina promotes situations where in a wife working alongside her husband and who is not paid a salary for her work is denied one-half of the proceeds of their joint bank account. She must trace the money to some payment made out specifically to her in order to acquire the money and if she inherits it she must pay inheritance tax on what would equitably be her one-half of the account.



RECOMMENDATIONS  
TO THE 1984  
GENERAL ASSEMBLY OF NORTH CAROLINA



## RECOMMENDATIONS

- I. The Committee studying the economic, social and legal problems and needs of women of the State of North Carolina respectfully submits the following recommended proposals for consideration by the Legislative Research Commission and the 1984 Session of the General Assembly.
- A. Aid to Families with Dependent Children (AFDC) payments should be increased ten percent (10%) in 1984 and annually increased until it reaches poverty level.
  - B. Due to the disproportionate number of women represented in the poverty class, Job Training Partnership Act (JTPA) funds which are used to train people for jobs should be largely expended to aid North Carolina's women.
  - C. The North Carolina office of State Personnel's development of work options, particularly regarding flexible work schedules, should be funded to the extent feasible.
  - D. Sufficient spousal and child abuse program funding should be continued in the base budget.
  - E. The authority, membership, and staff of the North Carolina Council on the Status of Women should be continued at their present levels.
- II. The Committee studying the economic, social and legal problems and needs of the women of the State of North Carolina respectfully submits the

following recommended legislation for consideration by the Legislative Research Commission and the 1984 Session of the General Assembly:

- A. AN ACT TO AMEND G.S. 110-136 TO AUTHORIZE A GARNISHMENT PROCESSING FEE.
- B. AN ACT TO PERMIT ASSIGNMENTS OF STATE EMPLOYEES' WAGES MADE TO MEET CHILD SUPPORT OBLIGATIONS.
- C. AN ACT TO AUTHORIZE LOCAL GOVERNMENT TO IMPLEMENT AND COMPLY WITH MINORITY OR WOMEN'S BUSINESS ENTERPRISE REQUIREMENTS FOR LOCALLY FUNDED PROJECTS.
- D. AN ACT TO PROVIDE EXTENDED GROUP HEALTH INSURANCE CONTINUATION PRIVILEGES TO SURVIVING, SEPARATED, AND DIVORCED SPOUSES AT GROUP RATES.
- E. AN ACT TO PROVIDE EXTENDED CONTINUATION PRIVILEGES AT GROUP RATES UNDER THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN TO SURVIVING AND DIVORCED SPOUSES AND SPOUSES WHOSE COVERAGE IS CANCELLED AT THE REQUEST OF THE OTHER SPOUSE.
- F. AN ACT TO CLARIFY THE PROCEDURES TO INSURE PAYMENT OF CHILD SUPPORT.
- G. AN ACT TO EXEMPT FROM INHERITANCE TAX ONE-HALF THE AMOUNT OF CERTAIN PERSONAL PROPERTY HELD BY A HUSBAND AND WIFE AS JOINT TENANTS WITH RIGHT OF SURVIVORSHIP.

III. The Committee studying the economic, social and legal problems and needs of the women of the State of North Carolina endorses legislation substantially similar or identical to House Bill 88, AN ACT TO RAISE THE ANNUAL GIFT TAX EXCLUSION FROM THREE THOUSAND DOLLARS TO TEN THOUSAND DOLLARS, and House Bill 104, AN ACT TO ALLOW ONE SPOUSE TO APPLY BOTH HIS GIFT TAX ANNUAL EXCLUSION AND HIS SPOUSE'S ANNUAL EXCLUSION TO GIFTS MADE TO ANYONE OTHER THAN HIS SPOUSE, both introduced during the 1983 Session (see Appendices P and Q).

IV. The Committee studying the economic, social and legal problems and needs of the women of the State of North Carolina respectfully requests additional funding to continue its work and report to the 1985 Session of the North Carolina General Assembly.



R E C O M M E N D E D   L E G I S L A T I O N







A BILL TO BE ENTITLED

AN ACT TO PERMIT ASSIGNMENTS OF STATE EMPLOYEES' WAGES MADE TO MEET CHILD SUPPORT OBLIGATIONS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 147-62 is amended by designating the language of the existing section as subsection (a) and by adding a new subsection (b) to read:

"(b) Subsection (a) of this section shall not apply to assignments made to meet child support obligations pursuant to G.S. 110-136.1."

Sec. 2. This act is effective upon ratification.



INTRODUCED BY:

Referred to:

1 A BILL TO BE ENTITLED

2 AN ACT TO AUTHORIZE LOCAL GOVERNMENTS TO IMPLEMENT AND  
3 COMPLY WITH MINORITY OR WOMEN'S BUSINESS ENTERPRISE  
4 REQUIREMENTS FOR LOCALLY FUNDED PROJECTS.

5 The General Assembly of North Carolina enacts:

6 Section 1. Article 3 of Chapter 160A of the  
7 North Carolina General Statutes is amended to add a new  
8 Section 160A-17.2 to read as follows:

9 "§160A-17.2. Compliance with Minority or Women's Busi-  
10 ness Plans.--Any board or governing body of any institution  
11 of any county, or other subdivision of the State,  
12 authorized to make contracts for that body to construct,  
13 expand, maintain and operate any project or facility or  
14 perform any function, may agree to and comply with minimum  
15 minority or women's business enterprise participation  
16 requirements to insure equal employment opportunities as  
17 established by such board or governing body in projects  
18 financed by public funds, by including such minimum  
19 requirements in the specifications for contracts to perform  
20 all or part of such projects and awarding bids pursuant to  
21 G.S. 143-129 and G.S. 143-131, if applicable, to the lowest  
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1 responsible bidder or bidders meeting these and any other  
2 specifications."

3           Sec. 2. G.S. 153A-445(a) is amended by adding  
4 subparagraph (8) to read as follows:

5           "(8) G.S. 160A-17.2. Compliance with Minority or  
6 Women's Business Plans."

7           Sec. 3. G.S. 160A-497 is amended by rewriting  
8 the catchline to read "Senior citizens programs and  
9 minority or women's business projects." and by designating  
10 the present language as subsection "(a)" and adding a new  
11 subsection "(b)" to read as follows:

12           "(b) Any board or governing body of any institution  
13 of any county or other subdivision of the State, authorized  
14 to make contracts for that body to construct, expand,  
15 maintain and operate any project or facility or perform any  
16 function, may agree to and comply with minimum minority or  
17 women's business enterprise participation requirements to  
18 insure equal employment opportunities as established by  
19 such board or governing body in projects financed by public  
20 funds, by including such minimum requirements in the  
21 specifications for contracts to perform all or part of such  
22 projects and awarding bids pursuant to G.S. 143-129, if  
23 applicable, to the lowest responsible bidder or bidders  
24 meeting these and any other specifications."

25           Sec. 4. There is appropriated from the General  
26 Fund to the Department of Administration the sum of one  
27 hundred thousand dollars (\$100,000) for the 1984-85 fiscal  
28

1 year to provide technical assistance to any governmental  
2 entity seeking to comply with the provisions of this act  
3 and to assist those governmental entities in monitoring  
4 their compliance.

5                   Sec. 5. This act shall become effective July 1,  
6 1984.

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1 jurisdiction or because of marital separation of the  
2 spouses; and

3 (4) The spouse or any eligible dependent of the  
4 employee or member where the employee or member requests  
5 cancellation of coverage of the spouse or dependent.

6 (b) When an employee or member and his spouse or any  
7 eligible dependent are covered under a group policy and the  
8 employee or member cancels the coverage or removes the  
9 spouse or dependent from the coverage, the insurer shall  
10 notify the spouse or dependent of the change or cancellation  
11 in order to enable the spouse or dependent to exercise the  
12 continuation rights granted by this section.

13 (c) The continuation privileges granted by this  
14 section shall be available without evidence of insurability.  
15 Continuation privileges shall be available to any person who  
16 is or could be covered by Medicare, but only in the form of  
17 a Medicare supplement policy, as defined in G.S.  
18 58-262.13(4). In order to continue coverage on a  
19 contributory basis under subdivisions (a)(2) through (a)(4)  
20 of this section, the premium must be paid by the spouse or  
21 dependent within 90 days of the death, divorce, marital  
22 separation, or cancellation, as appropriate, and coverage  
23 shall relate back to the date the coverage would have  
24 terminated because of death, divorce, marital separation, or  
25 cancellation if the premium had not been paid."

26 Sec. 2. G.S. 58-254.42 is rewritten to read:

27 "§ 58-254.42. Termination of continuation.--

28 Continuation of insurance under the group policy for any

1 person shall terminate on the earliest of the following  
2 dates:

3 (1) The date three months after the date the  
4 employee's or member's insurance under the policy would  
5 otherwise have terminated because of termination of  
6 employment or membership;

7 (2) The date ending the period for which the employee,  
8 member, or spouse or dependent entitled to continuation  
9 under G.S. 58-254.37 last makes his required contribution,  
10 if he discontinues his contributions;

11 (3) The date the employee, member, or spouse or  
12 dependent entitled to continuation under G.S. 58-254.37  
13 becomes or is eligible to become covered for similar  
14 benefits under any arrangement of coverage for individuals  
15 in a group, whether insured or uninsured; or

16 (4) The date on which the group policy is terminated  
17 or, in the case of a multiple employer plan, the date the  
18 employer terminates participation under the group master  
19 policy. When this occurs the employee, member, or spouse or  
20 dependent entitled to continuation under G.S. 58-254.37  
21 shall have the privilege described in G.S. 58-254.44 if the  
22 date of termination precedes that on which the employee's,  
23 member's, spouse's, or dependent's actual continuation of  
24 insurance under that policy would have terminated. The  
25 insurer that insured the group prior to the date of  
26 termination shall make a converted policy available to the  
27 employee, member, spouse, or dependent."  
28

1                   Sec. 3. G.S. 58-254.57(c), as found in the 1983  
2 Supplement, is amended by substituting the word "dependent"  
3 for the word "children" in the third and tenth lines; for  
4 the word "child" in the eleventh line; and for the words  
5 "family member" in the thirteenth line.

6                   Sec. 4. G.S. 58-254.41 is amended:

7                   (a) By substituting the words, "employee, member, or  
8 spouse or dependent entitled to continuation under G.S.  
9 58-254.37" for the words, "employee or member" in the first  
10 and second sentences.

11                   (b) By striking the word, "his" from the first  
12 sentence.

13                   (c) By substituting the words, "policyholder or  
14 employer" for the words, "group policyholder" in the third  
15 sentence.

16                   Sec. 5. G.S. 58-254.35(1) is rewritten to read:

17                   "(1) 'Group policy' means a policy or contract of  
18 group accident and health insurance as defined in G.S.  
19 58-254.4 or of blanket accident and health insurance  
20 described under G.S. 58-254.3(a) (5) through (a) (7); an  
21 insurance certificate or subscriber contract issued by a  
22 hospital or medical service corporation under General  
23 Statutes Chapter 57; or health care plan subject to General  
24 Statutes Chapter 57B."

25                   Sec. 6. This act shall apply to all group  
26 policies, as defined in G.S. 58-254.35(1), that are  
27 delivered, issued for delivery, renewed, or amended after  
28 the effective date of this act.







1 granting of a divorce to either spouse by a court of  
2 competent jurisdiction.

3 (9) The spouse and any eligible dependent of an  
4 employee or retired employee where the employee or retired  
5 employee requests cancellation of coverage of the spouse or  
6 dependent."

7 Sec. 5. G.S. 135-40.3 is amended by adding a new  
8 subsection to read:

9 "(e) Continuation Privilege Conditions--The continua-  
10 tion privileges provided by G.S. 135-40.2(b) (7), (8), and  
11 (9) shall be available without evidence of insurability.  
12 Continuation privileges shall be available to any person who  
13 is or could be covered by Medicare only as a Medicare  
14 supplement policy, as defined in G.S. 58-58-262.13(4).  
15 Continuation privileges shall not be available to any person  
16 who becomes or is eligible to become covered for similar  
17 benefits under any arrangement of coverage for individuals  
18 in a group, whether insured or uninsured. In order to  
19 continue coverage on a contributory basis under G.S.  
20 135-40.2(b) (7), (8), or (9), the premium must be paid by the  
21 spouse or dependent within 90 days of the death, divorce, or  
22 cancellation, as appropriate, and coverage shall relate back  
23 to the date the coverage would have terminated because of  
24 death, divorce, or cancellation if the premium had not been  
25 paid."

26 Sec. 6. G.S. 135-40.11 is amended by adding a new  
27 subsection to read:  
28

1           " (e) When an employee is covered under Employee and  
2 Family Coverage under G.S. 135-40.3(d) (3) and the employee  
3 cancels the coverage or changes to another type of coverage  
4 under G.S. 135-40.3(d), the Plan Administrator shall notify  
5 the spouse of the change or cancellation, so the spouse may  
6 exercise the coverage rights granted by G.S. 135-40.2(9)."

7           Sec. 7. Any otherwise qualified person covered  
8 under the Plan at any time from October 1, 1982, through  
9 September 30, 1984, may obtain coverage under this act  
10 beginning October 1, 1984. If the 90 day period provided by  
11 G.S. 135-40.3(e) expires before October 1, 1984 coverage may  
12 be obtained by payment of the premium no later than January  
13 31, 1985, but in such case coverage shall begin on the first  
14 day of the month following such premium payment.

15           Sec. 8. This act shall become effective October  
16 1, 1984.





A BILL TO BE ENTITLED

AN ACT TO EXEMPT FROM INHERITANCE TAX ONE-HALF THE AMOUNT OF CERTAIN PERSONAL PROPERTY HELD BY A HUSBAND AND WIFE AS JOINT TENANTS WITH RIGHT OF SURVIVORSHIP.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-2 is amended by inserting a new subdivision between subdivisions (7) and (8) to read:

"(7a) When a husband and wife hold funds in a joint deposit account as joint tenants with the right of survivorship or own corporate stock or investment securities as joint tenants with the right of survivorship, the surviving spouse is taxable on no more than one-half of the amount in the joint deposit account or one-half of the amount of the corporate stock or investment securities. The surviving spouse may be taxable on less than one-half of the amount in the deposit account or the amount of the corporate stock or investment securities if, pursuant to subdivision (9), the surviving spouse can establish that he or she provided over one-half of the funds in the account or over one-half of the funds or property used to acquire the corporate stock or investment securities."

Sec. 2. This act shall become effective July 1, 1984, and shall apply to the estates of decedents dying on or after that date.

A P P E N D I C E S



APPENDIX A  
STATE OF NORTH CAROLINA  
LEGISLATIVE RESEARCH COMMISSION  
STATE LEGISLATIVE BUILDING  
RALEIGH 27611



MEMBERSHIP OF THE  
LEGISLATIVE RESEARCH COMMISSION  
1983 - 1985

Senator W. Craig Lawing, Cochairman  
Senator William Martin  
Senator Helen Marvin  
Senator William Staton  
Senator Joseph Thomas  
Senator Russell Walker

Speaker Liston B. Ramsey, Cochairman  
Rep. Chris Barker  
Rep. John Church  
Rep. Bruce Ethridge  
Rep. John Hunt  
Rep. Margaret Tennille



STATE OF NORTH CAROLINA  
LEGISLATIVE RESEARCH COMMISSION  
STATE LEGISLATIVE BUILDING  
RALEIGH 27611



MEMBERS OF THE  
LEGISLATIVE RESEARCH STUDY COMMITTEE  
ON  
ECONOMIC, SOCIAL AND LEGAL PROBLEMS AND NEEDS OF WOMEN

Senator Helen R. Marvin, Cochairperson  
Senator Rachel G. Gray  
Senator William G. Hancock, Jr.  
Senator Lura Tally

Representative Ruth M. Easterling, Cochairperson  
Representative Anne Barnes  
Representative H. Parks Helms  
Representative Walter B. Jones, Jr.

Mrs. Alice Wynne Gatsis, Public Member  
Mrs. Nancy Jones, Public Member



GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1983  
RATIFIED BILL

CHAPTER 905  
HOUSE BILL 1142

AN ACT AUTHORIZING STUDIES BY THE LEGISLATIVE RESEARCH COMMISSION AND BY THE COMMISSION ON CHILDREN WITH SPECIAL NEEDS AND MAKING TECHNICAL AMENDMENTS RELATING THERETO.

The General Assembly of North Carolina enacts:

Section 1. The Legislative Research Commission may study the topics listed below. Listed with each topic is the 1983 bill or resolution that originally proposed the study and the name of the sponsor. The Commission may consider the original bill or resolution in determining the nature, scope and aspects of the study. The topics are:

- (1) Continuation of the Study of Revenue Laws (H.J.R. 16 - Lilley); and the ramifications, if enacted, of H.B. 746, Appraisal of Subdivided Tract (Auman) and H.B. 1250, No Intangible Tax/Income Surtax (Auman),
- (2) Continuation of the Study on the Problems of the Aging (H.J.R. 44 - Economos; S.J.R. 16 - Gray),
- (3) Continuation of the Study on Insurance Regulation (H.B. 63 - Seymour) and Insurance Laws and Regulation of Insurance Industry (H.B. 1243 - Hightower),
- (4) Teaching of Computer Literacy in the Public Schools and Community Colleges (H.J.R. 191 - Berry) and the Continuation of Study of College Science Equipment (H.J.R. 898 - Enloe),
- (5) Adequacy of State Management of Large-Scale Land Clearing and Peat Mining (H.J.R. 220 - Evans),
- (6) Adequacy of Existing Water Pollution Control Programs to Improve and Protect Water Quality in the State (H.J.R. 232 - Evans),
- (7) Marketing of Seafood by Fishermen (H.J.R. 896 - Chapin),
- (8) Continuation of Study on the Economic Social and Legal Problems and Needs of Women (H.J.R. 904 - Easterling; S.J.R. 329 - Marvin),
- (9) Regulation of Nonpublic and Public Post-Secondary Educational Institutions (Joint Resolution 33 (H.J.R. 988 - Thomas)),
- (10) Readable Insurance Policies (H.B. 1069 - Ballance),
- (11) State Government Risk Management (H.J.R. 1083 - Seymour),
- (12) Biotechnology Development (H.B. 1122 - Etheridge, Bobby and H.J.R. 1282 - Etheridge, Bobby; S.J.R. 620 - Hancock),
- (13) Continuation of Study of the State's Interest in Railroad Property (H.B. 1142 - Hunt),
- (14) Restricting Driving by Minors (H.J.R. 1149 - J. Jordan),

- (15) Health Professionals (H.J.R. 1194 - Diamond),
- (16) Water Quality in Haw River and B. Everett Jordan Reservoir (H.J.R. 1257 - Hackney),
- (17) Regulation of Alcoholic Beverages on State Property (H.J.R. 1292 - Clark),
- (18) Disposition of Animals by Animal Shelters and Pounds (H.J.R. 1309 - Stamey),
- (19) Boards, Commissions, and Councils in the Executive Branch (H.J.R. 1321 - Hunt),
- (20) Feasibility of a Food Distribution Facility on Dix Farm Property in Raleigh (H.J.R. 1334 - James),
- (21) Implementation of Identification and Labelling of Toxic or Hazardous Substances as Proposed by House Bill 1339 (Payne),
- (22) Water Resources Issues Involving North Carolina and Virginia (H.J.R. 1404 - Church),
- (23) Investment Guidelines for Eleemosynary Institutions and Funds (H.J.R. 1423 - Musselwhite),
- (24) Child Support Collection Procedures (H.J.R. 1439 - Easterling; S.J.R. 675 - Woodard, W.),
- (25) Contamination of Unpackaged Foods (H.J.R. 1441 - Stamey),
- (26) Legislative Communications Confidentiality (H.R. 1461 - Miller),
- (27) Continuation of the Study of Information Processing Resources in State Government (S.J.R. 44 - Alford),
- (28) Regulation and Taxation of Banks, Savings and Loans and Credit Unions (S.J.R. 381 - Edwards of Caldwell),
- (29) District Attorney Standards (S.B. 496 - Hipps),
- (30) Cost of Providing Attorneys and Guardians Ad Litem to Indigents (S.J.R. 643 - Swain),
- (31) Public Health Facility Laws (S.J.R. 656 - Hancock), and Review of Certificate of Need Procedures (H.J.R. 1294 - Economos),
- (32) Life Care Arrangements (S.J.R. 657 - Hancock),
- (33) Worthless Checks (S.J.R. 661 - Thomas of Henderson),
- (34) State-owned Rental Housing as contained in Section 2 of this act,
- (35) User Fees at State-owned Facilities, as contained in Section 3 of this act,
- (36) Motorboat Titles and Liability Insurance, as contained in Section 4 of this act,
- (37) Motor Vehicle Inspection Program, as contained in Section 5 of this act,
- (38) Continuation of the Study of Day Care (H.J.R. 594 - Colton),
- (39) Continuation of the Study on Twelfth Grade (H.J.R. 753 - Mauney; S.J.R. 343 - Tally),
- (40) Procedure for Incorporating Municipalities (S.J.R. 445 - J. Edwards),
- (41) Solar Law (S.J.R. 670 - Walker),

- (42) Statutory Liens (S.J.R. 680 - Edwards of Caldwell),
- (43) In-service Training of Teachers in North Carolina History, the American Economic System, Free Enterprise Concepts, and Legal Topics (H.B. 1281 - Poster).

Sec. 2. State-owned Rental Housing. (a) The Legislative Research Commission is authorized to conduct a study of all State-owned rental housing during the 1983-84 fiscal year and to recommend a comprehensive statewide rental policy, to be administered by the Department of Administration, to the 1984 Session of the General Assembly. This study shall be conducted in consultation with the department that owns the housing. In conducting this study, the Commission shall first determine the amount of nonessential rental housing currently owned by the State using the following criteria: The geographic location of the State property on which the housing is located and its proximity to alternative privately owned housing; the amount of time that would be required for employees to arrive at the State property on which housing is now located in the event of an emergency; the amount of security necessary for State property that is now being provided by State employees living in State-owned rental housing; and any other benefits to the State for employees to occupy said housing: The Commission shall recommend the disposition of nonessential rental property by one of three means: sale of the housing and property on which it is located; sale of the housing unit only with the stipulation that the house be removed from State property; and conversion of the housing unit to an alternative use.

(b) It is the policy of the State of North Carolina that the State provide rental housing only in cases in which an essential State purpose is served. Nothing in these sections shall be construed to mean that State departments may not continue to divest themselves of nonessential rental housing during the course of the Legislative Research Commission study.

Sec. 3. User Fees. The Legislative Research Commission is authorized to study the potential for user charges and admission fees at State-owned cultural, recreational and historical facilities. The study may cover museums, historic sites, marine resource centers as well as other facilities. The Legislative Research Commission may make an interim report to the 1984 Regular Session of the 1983 General Assembly and may make a final report to the 1985 General Assembly.

Sec. 4. Motorboat Titles and Liability Insurance. The Legislative Research Commission of the General Assembly is authorized to study the issue of motorboat titles and liability insurance. The study may include start-up and administrative costs, potential revenues, phase-in plans, financial institution requirements, etc. The Commission may report to the 1984 Session.

Sec. 5. Motor Vehicle Inspection Program Study. The Legislative Research Commission may study the effectiveness of the motor vehicle inspection program required by Article 3A of Chapter 20 of the General Statutes. The study may consider, among other aspects, the impact on highway safety, cost

effectiveness of the program, and probable impact of eliminating part or all of the program.

Sec. 6. For each of the topics the Legislative Research Commission decides to study, the Commission may report its findings, together with any recommended legislation, to the 1984 Session of the General Assembly or to the 1985 General Assembly, or the Commission may make an interim report to the 1984 Session and a final report to the 1985 General Assembly.

Sec. 7. G.S. 120-30.17 is amended by adding two new subsections to read:

"(7) to obtain information and data from all State officers, agents, agencies and departments, while in discharge of its duty, pursuant to the provisions of G.S. 120-19 as if it were a committee of the General Assembly.

(8) to call witnesses and compel testimony relevant to any matter properly before the Commission or any of its committees. The provisions of G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Commission and its committees as if each were a joint committee of the General Assembly. In addition to the other signatures required for the issuance of a subpoena under this subsection, the subpoena shall also be signed by the members of the Commission or of its committee who vote for the issuance of the subpoena."

Sec. 8. Section 1 of Chapter 1372, Session Laws of 1981, is amended by deleting "as authorized in Section 2 of Resolution 61, Session Laws of 1981".

Sec. 9. Section 1(3) of Chapter 1372, Session Laws of 1981, is amended by deleting "1983 Session", and inserting in lieu thereof "1983 and 1985 Sessions".

Sec. 10. G.S. 124-5 is amended by deleting "June 1, 1983", and inserting in lieu thereof "the date of convening of the 1985 Regular Session of the General Assembly".

Sec. 11. The last sentence of G.S. 124-5 is amended by deleting "11-month period", and inserting in lieu thereof "period ending on convening of the 1985 Regular Session."

Sec. 12. Deaf/Blind School Move--Commission on Children with Special Needs. (a) The Commission on Children with Special Needs, established by Article 12 of Chapter 120 of the General Statutes, may study the issue of transferring the State schools for the Deaf and the Governor Morehead School for the Blind to the jurisdiction of the State Board of Education.

(b) The Commission may make a final report to the Second Session of the 1983 General Assembly. (H.J.R. 246 - Fenner)

Sec. 13. Bills and Resolution References. The listing of the original bill or resolution in this act is for reference purposes only and shall not be deemed to have incorporated by reference any of the substantive provisions contained in the original bill or resolution.

Sec. 14. This act is effective upon ratification.  
In the General Assembly read three times and ratified,  
this the 21st day of July, 1983.

JAMES C. GREEN

-----  
James C. Green  
President of the Senate

LISTON B. RAMSEY

-----  
Liston B. Ramsey  
Speaker of the House of Representatives



## GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1983

2

HOUSE JOINT RESOLUTION 904\*  
Second Edition Engrossed 4/28/83

Sponsors: Representatives Easterling, Colton; Adams, Ballance,  
Barnes, Berry, Black, Blue, Bowen, Brennan, Cook, N.J. Crawford,\*  
Referred to: Rules and Operation of the House.

April 21, 1983

A JOINT RESOLUTION TO PERMIT THE CONTINUANCE OF THE WORK OF THE  
 LEGISLATIVE RESEARCH COMMISSION'S STUDY ON THE ECONOMIC, SOCIAL  
 AND LEGAL PROBLEMS AND NEEDS OF WOMEN [~~H-98 BEYOND UNDER~~  
~~RESOLUTION 81 OF THE 1983 SESSION~~].

Whereas, the mandate that the Legislative Research  
 Commission's Committee on the Economic, Social and Legal Problems  
 and Needs of the Women of the State of North Carolina study the  
 "extent of the sex discriminatory effect of common law, case law  
 and administrative regulations" creates a task so great that more  
 time and resources are needed for the task to be completed; and

Whereas, women with comparable skills, experience and  
 education are paid on an average, fifty-nine cents (59¢) for  
 every one dollar (\$1.00) a man receives for performing the same  
 job; and

Whereas, poverty in North Carolina is becoming  
 increasingly feminized; and

Whereas, women have special health needs in the areas of  
 sex education and counseling, as evidenced by the rising rate of  
 teenage pregnancies, and in the area of access to health care;  
 and

1           Whereas, women who contribute significantly to the life  
2 and well-being of the State of North Carolina and to the  
3 character and well-being of its children are finding their  
4 families' well-being jeopardized by the limited economic  
5 resources available to the family; and

6           Whereas, the Legislative Research Study Committee on the  
7 Economic, Social and Legal Problems and Needs of Women that has  
8 made an interim report to the 1981 Session (1982 Short Session)  
9 and a final report to the 1983 Session, recommends that women's  
10 needs be given additional study time;

11 Now, therefore, be it resolved by the House of Representatives,  
12 the Senate concurring:

13           Section 1. The Legislative Research Commission may  
14 continue its study of the entire range of the economic, social  
15 and legal problems and needs of the women of the State of North  
16 Carolina.

17           Sec. 2. The Commission may report to the 1985 General  
18 Assembly and may submit an interim report to the 1984 General  
19 Assembly.

20           Sec. 3. This resolution is effective upon ratification.

21 -----  
22 \*Additional Sponsors: Economos, Edwards, Fenner, Foster,  
23 Pussell, Greenwood, Hackney, Hayden, Helms, Holt, Huskins,  
24 Jarrell, Jeralds, Jones, Keesee-Forrester, Kennedy, Lambeth,  
25 Lancaster, Lee, Lilley, McAlister, McDowell, Miller, Musselwhite,  
26 Pulley, Seymour, Slaughter, Spaulding, Spoon, Tennille, Thomas,  
27 Tyson, Warren, Watkins, Womble, Charles Woodard, Wright, Hauser.  
28

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1983  
RATIFIED BILL

CHAPTER 677  
SENATE BILL 89

AN ACT TO AMEND CHAPTER 50 OF THE GENERAL STATUTES TO ESTABLISH PROCEDURES TO INSURE PAYMENT OF CHILD SUPPORT.

The General Assembly of North Carolina enacts:

Section 1. Chapter 50 of the General Statutes is amended by adding a new section to read as follows:

"§ 50-13.9. Procedure to insure payment of child support.--(a) Upon its own motion or upon motion of either party, the court may order at any time that support payments be made to the clerk of court for remittance to the party entitled to receive the payments.

(b) After entry of such an order by the court, the clerk of court shall maintain records listing the amount of payments, the date payments are required to be made, and the names and addresses of the parties affected by the order.

(c) The parties affected by the order shall inform the clerk of court of any change of address or of other condition that may affect the administration of the order. The court may provide in the order that a party failing to inform the court of a change of address within a reasonable period of time may be held in civil contempt.

(d) When a supporting party fails to make a required payment of child support, and is in arrears of said payment, the clerk of superior court shall mail by regular mail to the last known address of the supporting party a notice of delinquency which shall set out the amount of child support currently due and shall demand immediate payment of said amount. The notice shall also state that failure to make immediate payment may result in the issuance of an order of the court requiring the supporting party to appear before a district court judge and show cause why he should not be adjudged in contempt of the order of the court. The failure to receive said notice shall not be a defense in any proceedings thereafter. If the supporting party is subsequently found in contempt of an order of the court, thereafter notice shall be in the discretion of the clerk.

If the arrearage is not paid in full within 21 days after the mailing of said notice or is not paid within 30 days after the supporting party becomes delinquent, if the clerk has elected not to send a delinquency notice, the clerk shall cause to be issued an order ordering the supporting party to show cause why he should not be adjudged in contempt of orders of the court and shall issue a notice of hearing before a district court judge. Said order may be signed by the clerk or a district court judge, and shall be served upon the supporting party pursuant to the North Carolina Rules of Civil Procedure. The clerk shall also notify the party to whom support is owed of the pending hearing. The clerk may withdraw the order to the supporting party upon receipt of the delinquent payment. On motion of the recipient,

with the approval of the district court judge, if he finds it is in the best interest of the child, no order shall be issued.

(e) The clerk of court shall maintain and make available to the district court judge a list of attorneys who are willing to undertake representation, pursuant to this section, of persons to whom child support is owed. No attorney shall be placed on such list without his permission.

(f) At least seven days prior to a contempt hearing set forth in subsection (d), the clerk must notify the district court judge of all cases to be heard on contempt charges at the next term of district court and the judge shall appoint an attorney to represent each party to whom support payments are owed from the list described in (e) if the judge deems it to be in the best interest of the child for whom support is being paid, unless:

- (1) The attorney of record for the party to whom support payments are owed has notified the clerk of court that he will appear for said party; or
- (2) The party to whom support payments are owed requests the judge not to appoint an attorney; or
- (3) An attorney for the enforcement of child support obligations pursuant to Title IV, Part D, of the Social Security Act as amended is available.

The judge may order payment of reasonable attorney's fees as provided in G.S. 50-13.6.

(g) Nothing in this section shall preclude the independent initiation of proceedings for civil contempt by a party."

Sec. 2. This act shall become effective October 1, 1983. The Director of the Budget is authorized to transfer for the fiscal years 1983-84 and 1984-85 related savings from the Department of Human Resources, Division of Social Services to the Judicial Department sufficient for the establishment of necessary positions and other expenses to implement this act. It is not mandatory that this act be implemented until such funds are available.

In the General Assembly read three times and ratified, this the 5th day of July, 1983.

JAMES C. GREEN

James C. Green  
President of the Senate

LISTON B. RAMSEY

Liston B. Ramsey  
Speaker of the House of Representatives

APPENDIX F

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1983  
RATIFIED BILL

CHAPTER 567  
SENATE BILL 90

AN ACT TO AMEND CHAPTER 15A OF THE GENERAL STATUTES TO ESTABLISH PROCEDURES TO INSURE PAYMENT OF CHILD SUPPORT.

The General Assembly of North Carolina enacts:

Section 1. General Statutes Chapter 15A is amended by adding a new section to read as follows:

"§ 15A-1344.1. Procedure to insure payment of child support.--

(a) When the court requires, as a condition of supervised or unsupervised probation, that a defendant support his children, the court may order at any time that support payments be made to the clerk of court for remittance to the party entitled to receive the payments.

(b) After entry of such an order by the court, the clerk of court shall maintain records listing the amount of payments, the date payments are required to be made, and the names and addresses of the parties affected by the order.

(c) The parties affected by the order shall inform the clerk of court of any change of address or of other condition that may affect the administration of the order. The court may provide in the order that a defendant failing to inform the court of a change of address within reasonable period of time may be held in violation of probation.

(d) When a defendant fails to make required payments of child support, and is in arrears of said payments, the clerk of superior court may mail by regular mail to the last known address of the defendant a notice of delinquency which shall set out the amount of child support currently due and which shall demand immediate payment of said amount. The failure to receive said delinquency notice shall not be a defense in any probation violation hearing thereafter. If the arrearage is not paid in full within 21 days after the mailing of said notice, or is not paid within 30 days after the defendant becomes delinquent if the clerk has elected not to send a delinquency notice, the clerk shall certify the amount due to the district attorney and probation officer, who shall initiate proceedings for revocation of probation pursuant to Article 82 of Chapter 15A."

Sec. 2. G.S. 15A-1343(b) (5) is amended to read as follows:

"(5) Satisfy child support and other family obligations as required by the court."

Sec. 3. This act shall become effective October 1, 1983. The Director of the Budget is authorized to transfer for the fiscal years 1983-84 and 1984-85 related savings from the Department of Human Resources, Division of Social Services to the Judicial Department sufficient for the establishment of necessary positions and other expenses to implement this act. It is not mandatory that this act be implemented until such funds are transferred.

In the General Assembly read three times and ratified, this the 20th day of June, 1983.

JAMES C. GREEN

James C. Green  
President of the Senate

LISTON B. RAMSEY

Liston B. Ramsey  
Speaker of the House of Representatives

APPENDIX G

LEGAL ASSISTANCE IN OBTAINING CHILD SUPPORT

Testimony to the Legislative Commission on the  
Needs of Women - North Carolina General Assembly

January 10, 1984

By: Carol Spruill, Attorney  
East Central Community  
Legal Services

I am sure everyone was gratified to read the report of Franklin Freeman, head of the Administrative Office of the Courts, in Saturday's News and Observer, when he said that North Carolina had enjoyed a 21.6% increase in the collection of child support in the first two months of implementation of HB 89 and 90, passed in the 1983 session. This was up from a 13% increase in the three previous years. It is wonderful to know that the words and directives which you passed in to law could make that big a difference in such a short time.

The problem, however, is far from solved and I commend your efforts to continue to look at this troublesome area of the abandonment of families.

I would like to share with you some statistics which I find to be very compelling. These are from a study sponsored by the American Bar Association<sup>1</sup> of the Census Bureau data which included 8.4 million families composed of a mother with at least one child under 21 and the father absent. Of these families, only 59% had ever received a court judgment establishing a child support order at all. Of the 59% with an award in place, fewer than half received the full amount of money awarded. The main amount of child support received in 1981 was \$2100 per family regardless of the number of children in the family. This was "up" from \$1800 per family in 1979 but accounting for inflation it was a 16% decrease in real dollars.

The statistics among the lower income families in this study were even worse. Only 40% received an award and of that 40% only 60% received any money from that award. I do not know if any of these received the total amount awarded.

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<sup>1</sup>The American Bar Association has created and staffed a Child Support Project "to improve the handling of child support matters by the legal system." This group has been active in lobbying with the U.S. Congress for national child support legislation and is forming a nationwide network of those interested in reform of the child support system. A questionnaire which they are distributing is attached.

Professor Diane Pearce of Catholic University, who has testified before Congress about the need for national legislation on child support, states in her book, Women and Children: Alone and in Poverty<sup>2</sup>, that "[t]he typical outcome of a marital breakup in a family with children is that the man becomes single, while the woman becomes a single parent."<sup>3</sup> Two studies confirm this. A California study shows that when the family split up the husband's standard of living went up 42% and the wife and children's went down 73%.<sup>4</sup> A Colorado study found that in 2/3's of the cases, the car payment was more than the child support paid.<sup>5</sup>

What can be done to combat this flagrant violation of familial duties? There are numerous solutions being considered? The United States House of Representatives has passed H.R. 4325 in November, 1983, which provides nationwide reform including: mandatory wage withholding for cases in arrears, fees for employers and protection from firing for workers whose wages are withheld; incentive payments to states for collecting support; procedures for requiring the posting of a bond or other guarantee to secure payment of past due support in some cases; procedures for liens (North Carolina already has this); abolition of a statute of limitations on bringing a paternity suit before the child is 18 (North Carolina already has this); payments of child support from income tax refunds; grants to states to "undertake new or innovative methods of support collection"; a requirement that the state "regularly and frequently publicize, through public service announcements and other means," the availability of IV-D child support enforcement services; and a requirement that the Governor of each state appoint a State Commission on Child Support to look at such problems as interstate enforcement, the establishment of appropriate objective standards for support and additional state or federal legislation needed.

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<sup>2</sup>Women and Children: Alone and in Poverty, Prepared by Diana Pearce and Harriette McAdoo for the National Advisory Council on Economic Opportunity, Washington, D.C., September, 1981. Copies can be obtained for \$2.00 each from Diana Pearce, The center for National Policy Review, Catholic University Law School, Washington, D.C. 20064.

<sup>3</sup>Id. p. 9.

<sup>4</sup>Address to the Feminization of Poverty Conference, December, 1983, by Diane Dodson, Staff Attorney to the American Bar Association's Child Support Project.

<sup>5</sup>Yee, "What Really Happens in Child Support Cases: An Empirical Study of the Establishment and Enforcement of Child Support Orders in the District Courts," 57 Denver L. J. 24 (1979) as cited in "Child Support Law and Policy: The Systematic Imposition of Costs on Women," Nan D. Hunter, 6 Harv. Women's Law Journal 1, p. 7.

Some think "[t]he most fundamental change would be to adopt income - sharing formulae which would seek to equalize between the parents the relative burden of the increased costs of a split household." In "Child Support Law and Policy: The Systematic Imposition of Cost on Women", 6 Harvard Women's Law Journal 1, this view is expressed and a number of scientific studies of the best way to do this are discussed. This article also suggests a number of the reforms set forth in H.R. 4325 and also proposes "creating referees or administrative agencies whose only responsibility would be to establish child support amounts," in other words, taking the whole problem out of the courts. (p.24).

I have been asked to address HB 186. As you know HB 186 was passed to enable the IV-D Child Support Enforcement Program to collect fees after that office was compelled by the Carter v. Morrow lawsuit to give full legal assistance to those who applied even when they were not on welfare. Congress gives states the choice of collecting the cost of IV-D services from either the custodial parent or the absent parent. While the absent parent who will not pay is, of course, the one to blame for the problem and, therefore, the one who logically should pay for the cost of litigation, it is much easier for the IV-D office to collect from the custodial parent who is asking it for the service.

Using the discretion that the federal statute gives the states to set up a fee collection mechanism for IV-D services rendered to those who apply, the General Assembly in 1983 passed HB 186 which includes the following provisions:

1. it mandates that the IV-D program collect a \$20.00 application fee,
2. it allows IV-D to charge \$15.00 per hour staff time and up to \$45.00 per hour attorney time,
3. it provides for collection of this total try allowing IV-D to keep 10% of what it collects for the family,
4. allows IV-D to sue the family for the rest of the cost even if it cannot be collected by the 10% method.

I am concerned that this fee structure is severely discouraging people from applying to IV-D to obtain their rightful child support. My concerns are in three different areas:

1. the clause creating a debt against the family,
2. the choice of collecting 10% from the family and not the absent parent, and
3. the mandatory \$20.00 application fee.

My biggest concern is the clause which would leave the family indebted to the state for the service. If the IV-D office loses the case or cannot locate the defendant, HB 186 allows the state to collect the total cost of the lawsuit or investigation from the family. If the IV-D office wins the case but the absent parent pays little or no money on the judgment, the family would be paying the state 10% of their very inadequate child support over a long period of time and might eventually owe the balance.

Secondly, I have heard a lot of sentiment that the entire fee should be collected from the parent who deserts his family. This has come from both participants in the Women and the Economy Conference and from Social Services Directors.

If the IV-D office was being expansive in its efforts to serve the non-welfare population, then taking 10% of the family's child support might be worthwhile. However, the IV-D office's 1983 statistics show that only 18.5% of the IV-D cases are for people who are not on welfare. (This is up from 11.7% in FY 1982 Second Quarter. In Mecklenburg County, only 7.2% of the caseload was for non-welfare recipients in the latest statistics available.) This percent includes people who used to be on welfare and the IV-D office can keep the arrearages it wins to pay itself back. While 18.5% is not far below the 1982 national average of non-welfare cases, there are states such as Pennsylvania (with 50.4% non-welfare), Texas (49.9% non-welfare), Delaware (45.3% non-welfare), Arizona (65% non-welfare) and others where a significant part of the IV-D program is collecting money to go directly to families.

On balance, I think it may be worthwhile to continue to collect the 10% so that the program can flourish if it aggressively seeks to serve those who are not on welfare but are struggling to get a contribution from the family member who left them. An expansion to non welfare is not possible so long as people are told that they will owe for the services if the cost is not paid by the 10% deduct.

My third concern is that the \$20.00 application fee cannot be waived. Some Social Services Directors have expressed concern that this will prohibit participation in the program. In addition to the \$20.00 fee the cost of filing the action in court must also be paid up front. We have seen clients who lose interest in pursuing child support at the initial stage because they do not have \$20. The district court filing fee of \$35.00 must also be paid up front.

The Director of IV-D in Connecticut, Benjamin Alaimo, told Charlotte Legal Services Attorney Jane Harper that his program charges no fees whatsoever. He stated, "Any fee is a way to eliminate non-AFDC applicants from using the program."

I have three proposals. I would propose that HB 186 delete the phrase, "Any costs unrecovered when the responsibility for providing services terminates shall constitute a debt owed to the State by the non-recipient applicant upon order of the court." To protect the IV-D program, I would substitute with the phrase, "If the non-recipient applicant withdraws from the services provided by the IV-D Child Support Enforcement Program, the Clerk of Court shall continue to collect the money and transmit 10% of that collected until the reasonable costs as set by the court have been recovered." Secondly, I propose the application fee be eliminated. Finally, by 1985, I would recommend that the whole concept of collecting from the family rather than the deserting parent be reexamined. I would hope that the General Assembly would give strong support to the IV-D Child Support Enforcement Office so that the program can do much more than collect back welfare payments. The existing backlog in providing services to both welfare and non-welfare cases are discouraging.

With all of these suggestions in place and with the continued implementation of HB 89 and 90 from the 1983 session, I would hope that North Carolina would be a leader in eradicating the increasing poverty being suffered by women and children.



# American Bar Association

## CHILD SUPPORT PROJECT

In carrying out its goals the American Bar Association strives to promote improvements in the American system of justice, provide leadership in the improvement of the law, and assure the highest standards of professional competence. Recent studies concerning inadequate child support payment levels and problems in the enforcement of child support orders have led the ABA to seek to meet these goals in the child support area. It has established a project to work for improvement in the handling of child support matters by the legal system. Leading this effort is the Association's National Legal Resource Center for Child Advocacy and Protection, a program of the Young Lawyers Division. This project is supported by the Federal Office of Child Support Enforcement.

Three major problems confront our child support system. First, many who need support orders do not have them. This may result from the difficulty in establishing paternity, a lack of access to legal representation or an inability to locate an absent parent, among other factors. Second, support awards are often inadequate to meet the actual costs of raising a child and are steadily eroded by inflation. Third, enforcement of support orders is inadequate, with the result that many orders remain unpaid.

Recent data from the U.S. Bureau of the Census illustrates these points. Of the 8.4 million households studied (headed by mothers, with at least one child under 21 at home, and the father absent) only 59 percent had been awarded child support payments and fewer than half of those families received the full amount due. Further, while the mean amount of child support received by these families (per family, not per child) increased from \$1,800 in 1979 to \$2,110 in 1981, after adjusting for inflation this represented a 16 percent decrease in real dollars. Among poor households in the study only 40 percent had support awards and only 60 percent of that group actually received any child support at all.

The legal profession bears considerable responsibility for the functioning of the child support system. Private attorneys, agency counsel, prosecutors, court administrators and judges all play important roles in this system. Thus, it is appropriate for the legal profession to make note of these problems and to work to correct them. The ABA's Child Support Project will seek to meet these challenges in a variety of ways.

NATIONAL LEGAL RESOURCE CENTER  
FOR CHILD ADVOCACY & PROTECTION

Program of the  
Young Lawyers Division  
Advisory Board  
CHAIRPERSON  
J. Elisabeth Dobbs  
ABA Young Lawyers Division  
VICE-CHAIRPERSON  
Dairlene Green Kamina  
ABA Young Lawyers Division  
David L. Armstrong  
National District Attorneys  
Association  
Donald C. Bross  
National Association of  
County Bar Associations  
Elizabeth S. Cole  
Child Welfare League of  
America  
Robert F. Drinan  
Georgetown University  
Law Center  
Peter W. Forsythe  
Edna McConnell Clark  
Foundation  
Frederick C. Green  
Children's Hospital  
National Medical Center  
Sanford N. Katz  
International Society of  
Family Law  
Orm W. Ketcham  
American University  
Law School  
Norman Lelstein  
ABA Criminal Justice Section  
Marco R. Lowry  
ACLU Children's Rights  
Project  
Evelyn K. Moore  
National Black Child  
Development Institute  
James P. O'Flaherty  
ABA Family Law Section  
Hon. Enrique H. Pena  
National Council of Juvenile  
and Family Court Judges  
Albert J. Soina  
Yale University  
Child Study Center  
Michael S. Wald  
Yale Law School  
Hon. Patricia M. Wald  
U.S. Court of Appeals for  
DC Circuit

Young Lawyers Division  
CHAIRPERSON  
W. David Watkins  
CHAIRPERSON-ELECT  
Gregory A. Long  
SECRETARY  
Barbara Mendell  
BOARD OF GOVERNORS  
LIAISON  
Jane H. Barrett

Resource Center Staff  
DIRECTOR  
Howard A. Davidson  
ASSOCIATE DIRECTOR  
Robert M. Horowitz  
PLANNING FOR CHILDREN  
IN FOSTER CARE PROJECT  
Mark Hardin  
G. Diane Dodson  
CHILD SUPPORT  
PROJECT  
Robert M. Horowitz  
G. Diane Dodson  
CHILD CUSTODY  
CLEARINGHOUSE AND  
INFORMATION  
EXCHANGE  
Patricia M. Hoff  
ADMINISTRATIVE ASSISTANT  
Carric Coleman  
SECRETARY  
Joy McRae



## Education

Attorneys involved in child support matters are today confronted by a rapidly evolving child support system. It is imperative, therefore, that these professionals have a firm grasp of this system. They must be familiar with, for example, the operations of state Title IV-D offices and parent locator services, methods for calculating support awards, child support enforcement tools, blood testing, and interstate enforcement. Furthermore, due to pending federal and state legislation they need to be apprised of the continuing changes in this field.

In addition to understanding the legal background of the child support system, lawyers need information on practice issues. For example, practicing attorneys need to know how to prepare automatic child support modifiers, how to encourage parents to participate in voluntary wage assignments, how to effectively use URESA, how to introduce blood test results in paternity suits, how to effectively prove the amount of support required and how to locate absent parents.

The ABA Child Support Project will attempt to fill these informational needs in several ways. First, it will produce a series of monographs which will cover many of these issues. Each monograph will analyze the legal issues involved in a particular topic but will also focus on practical information for the practitioner. Monographs will be distributed by the ABA and by the Federal Office of Child Support Enforcement and may, in the future, be accessible through major legal computer information systems. As a prelude to this series, the ABA will compile a comprehensive legal bibliography on child support. This bibliography will help identify gaps in the legal literature which the monographs may fill. In addition, ABA staff will write articles on child support issues for law reviews and state and local bar journals.

The ABA project will also be involved in direct training on these same issues. Project staff will be available to speak at professional legal conferences and seminars and will work closely with state and local continuing legal educational administrators to sponsor special programs on child support. Regional training conferences will also be sponsored by this project.

## Networking

Another major function of the Child Support Project will be to establish a network of attorneys interested in child support issues. Although the ABA Child Support Project will not serve as a formal association for attorneys involved in child support work, it will offer many "group" benefits. The Project will facilitate the sharing of ideas and innovative programs among child support advocates. A major task of the Project will be to identify as many attorney specialists in the field as possible. These specialists,

in turn, will be asked to serve as resource persons for attorneys in their state or locality who are less familiar with child support issues and practice. This network will allow the "experts" to share their knowledge and enable less experienced local practitioners to improve their competence.

By coordinating with ABA Project staff, these experts will also receive well deserved recognition and help the ABA identify recurring problems. This, in turn, will help the Project select monograph and training topics and develop training materials. The resource persons will also be asked to identify for the Project important, but not widely available, materials in the field. These may include sample pleadings, model briefs, sample separation agreement provisions, local child support guidelines, local studies of child support awards or the functioning of IV-D offices or courts, or training materials on child support and paternity issues used in CLE programs. In turn, these persons will have access to this information accumulated by the Project from across the country.

The ABA Project will also attempt to assure discussion between the legal profession and other disciplines working on child support issues. Given the social importance of child support, many associations and organizations have included it on their agendas. For example, the National Conference of State Legislatures and National Governors Association are actively involved in these issues. As such groups consider policy and legislative reforms, it is important that they appreciate their implications for the administration of justice and the practice of law. Similarly, should this project develop policies on child support issues for ABA consideration, these other groups would be consulted.

#### Technical Assistance

A final major component of the Project will involve technical assistance. Such assistance will be directed at providing information on child support through legal writing and lecturing; providing answers to specific information requests through use of Project staff or by linking practitioners with a resource person in their community; and working with judges, court and agency administrators and policy makers to develop and implement legal and judicial reforms.

#### Project Staff and Advisory Board

Directing this Project are Robert Horowitz and Diane Dodson. An Advisory Board has also been established. Its members are: Lynne Gold-Bikin, Gail Forsythe, Vanzetta Penn Durant, Ann Helton, Professor Sanford Katz, Hon. Gladys Kessler, Hon. B. Thomas Leahy, Ronald C. Martin, Robert Philibosian, Robert J. Repel, and Gerhard Ritsema.

## Questions for the Legal Community

The foregoing summarizes the ABA's Child Support Project. As the Association embarks on this three year endeavor, there are a series of questions we would like to pose to the legal community. The answers will help the project identify both issues of concern and sources of information and assistance.

1. What do you consider to be the primary training needs on child support issues for the legal profession?
  - a. What topics are important to cover in training programs? (i.e., proof of paternity, establishing level of support)
  - b. To whom should training be directed-- prosecutors, private practitioners, judges, mixed groups?
2. What groups in your state or locality, or that you are aware of nationally, would provide a forum for child support training? -- (i.e., state bar conferences, local CLE program, etc.)
3. What legal topics have not been adequately covered in the legal literature that should be included in our monograph series? (i.e., how to develop support guidelines, interstate enforcement methods)
4. What bar or legal journals are likely to be interested in child support articles?

5. Are you interested in being on our panel of resource persons? Who else would be a good resource person in your state? What is your/their background in child support issues?
  
6. Do you have or know of materials on child support which we would not find through a search of the legal literature such as sample pleadings, motions, separation agreement provisions; local support guidelines; state or local studies or CLE materials on child support?
  
7. Is there legislation pending in your state, or newly passed, or are there recent court decisions the Project should be aware of?
  
8. Are there groups in your state or local area or national groups who are concerned with child support issues with whom we should be in contact - for example, women's groups, local child support group, or a state commission on child support?
  
9. Are there innovative programs, techniques or methods for the establishment or enforcement of support which are in place or being used in your area which the Project should be aware of?

Your name \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_

Please return this form to: Diane Dodson/Robert Horowitz,  
ABA Child Support Project, 1800 M Street, N.W., Washington,  
D.C. 20036.



GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1983  
RATIFIED BILL

CHAPTER 527  
HOUSE BILL 186

AN ACT TO AMEND CHAPTER 110 OF THE GENERAL STATUTES TO ESTABLISH PROCEDURES FOR THE PROVISION OF NONRECIPIENT SERVICES AS REQUIRED BY FEDERAL LAW.

The General Assembly of North Carolina enacts:

Section 1. Article 9 of Chapter 110 of the General Statutes is amended by adding a new section to read:

"§ 110-130.1. Nonrecipient services.--(a) All child support collection and paternity determination services provided under this Article to recipients of public assistance shall be made available to any individual not receiving public assistance in accordance with federal law and as contractually authorized by the nonrecipient, upon proper application and payment of a twenty dollar (\$20.00) application fee.

(b) The State shall recover the costs, in excess of the application fee, incurred in providing services to a nonrecipient by deducting ten percent (10%) of the support collected, until the costs incurred in the case have been recovered. No costs shall be charged or recovered until all public assistance debts created under this Article have been liquidated. Recoverable costs shall be the administrative and legal costs incurred in providing services; administrative costs shall not exceed the rate of fifteen dollars (\$15.00) per hour, and legal costs shall not exceed the rate of forty-five dollars (\$45.00) per hour. The appropriate judicial official shall be informed that such costs are to be collected in this manner from the individual to whom services are provided.

In all nonrecipient cases the amounts collected shall be transmitted to the Department of Human Resources and distributed in accordance with federal law and the provisions of this section. Any costs unrecovered when the responsibility for providing services terminates shall constitute a debt owed to the State by the nonrecipient applicant upon order of the court. If financially capable, the nonrecipient may be required to advance court filing fees and the initial costs of any paternity blood testing.

(c) Actions to establish or enforce a duty of support initiated under this Article shall be brought in the name of the county or State agency on behalf of the public assistance recipient or nonrecipient client. Collateral disputes between a custodial parent and noncustodial parent, involving visitation, custody and similar issues, shall be considered only in separate proceedings from actions initiated under this Article. The attorney representing the designated representative of programs under Title IV-D of the Social Security Act shall be deemed attorney of record only for proceedings under this Article, and not for such separate proceedings."

Sec. 2. G.S. 143B-153(8) is amended to add a new subsection (d) to read as follows:

"(d) Child support enforcement services as defined by G.S. 110-130.1".

Sec. 3. This act shall become effective 30 days after ratification.

In the General Assembly read three times and ratified, this the 15th day of June, 1983.

JAMES C. GREEN

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James C. Green  
President of the Senate

LISTON B. RAMSEY

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Liston B. Ramsey  
Speaker of the House of Representatives

## GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1983

SENATE BILL 514  
 Committee Substitute Adopted 7/1/83  
 Third Edition Engrossed 7/11/83  
 Fourth Edition Engrossed 7/12/83

4

Short Title: Child Support Garnishment.

(Public)

Sponsors: Senator

Referred to: Judiciary II.

May 18, 1983

A BILL TO BE ENTITLED

AN ACT TO AMEND [~~S-8181 XX78ZZ~~] [~~S-8181 XX8788~~] [S-G.S. 110-136]  
 TO PERMIT GARNISHMENT OF UP TO FORTY PERCENT OF WAGES FOR  
 WILLFUL FAILURE TO PROVIDE CHILD SUPPORT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 110-136 is amended by rewriting  
 subsection (c) to read:

"(c) Following the hearing held pursuant to this section, the  
 court may enter an order of garnishment not to exceed forty  
 percent (40%) of the responsible parent's monthly disposable  
 earnings. If an order of garnishment is entered, a copy of same  
 shall be served on the responsible parent and the garnishee  
 either personally or by certified or registered mail, return  
 receipt requested. The order shall set forth sufficient findings  
 of fact to support the action by the court and the amount to be  
 garnished for each pay period. The amount garnished shall be  
 increased by an additional one dollar (\$1.00) processing fee to  
 be assessed and retained by the employer for each payment under  
 the order. The order shall be subject to review for modification  
 and dissolution upon the filing of a motion in the cause."

1                   Sec. 2.   This act shall become effective 30 days after  
2   ratification.

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84N8-LF-1

Public

S: Representative Barnes

ST: State Employee Child Support

A BILL TO BE ENTITLED

AN ACT TO PERMIT ASSIGNMENTS OF STATE EMPLOYEES' WAGES MADE TO MEET CHILD SUPPORT OBLIGATIONS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 147-62 is amended by designating the language of the existing section as subsection (a) and by adding a new subsection (b) to read:

"(b) Subsection (a) of this section shall not apply to assignments made to meet child support obligations pursuant to G.S. 110-136.1."

Sec. 2. This act is effective upon ratification.



APPENDIX K  
GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1983

HOUSE BILL 299  
Second Edition Engrossed 3/24/83  
Corrected Copy 3/28/83

H

3

Short Title: Minority/Women Business Enterprise. (Public)

Sponsors: Representatives Clark; Jeralds.

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Referred to: Judiciary II.  
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February 24, 1983

1 A BILL TO BE ENTITLED

2 AN ACT TO AUTHORIZE LOCAL GOVERNMENTS TO IMPLEMENT AND COMPLY  
3 WITH MINORITY OR WOMEN'S BUSINESS ENTERPRISE REQUIREMENTS FOR  
4 LOCALLY FUNDED PROJECTS AS RECOMMENDED BY THE GENERAL STATUTES  
5 COMMISSION.

6 The General Assembly of North Carolina enacts:

7 Section 1. Article 3 of Chapter 160A of the North  
8 Carolina General Statutes is amended to add a new Section 160A-  
9 17.2 to read as follows:

10 "§ 160A-17.2. Compliance with Minority or Women's Business  
11 Plans.--Any Board or governing body of any institution of any  
12 county, city, town or other subdivision of the State, authorized  
13 to make contracts for that body to construct, expand, maintain  
14 and operate any project or facility or perform any function, may  
15 agree to and comply with minimum minority or women's business  
16 enterprise participation requirements to insure equal employment  
17 opportunities and/or to redress past discrimination as  
18 established by such board or governing body in projects financed  
19 by public funds, by including such minimum requirements in the  
20 specifications for contracts to perform all or part of such

1 projects and awarding bids pursuant to G.S. 143-129 and G.S. 143-  
2 131, if applicable, to the lowest responsible bidder or bidders  
3 meeting these and any other specifications."

4 Sec. 2. G.S. 153A-445(a) is amended by adding  
5 subparagraph (8) to read as follows:

6 "(8) G.S. 160A-17.2. Compliance with Minority or Women's  
7 Business Plans."

8 [H-8881 3/ THIS ACT IS EFFECTIVE FROM FISCAL YEAR]

9 [H-Sec. 3. There is appropriated from the General Fund  
10 to the Department of Administration the sum of one hundred  
11 thousand dollars (\$100,000) for the 1983-84 fiscal year and the  
12 sum of one hundred thousand dollars (\$100,000) for the 1984-85  
13 fiscal year to provide technical assistance to any governmental  
14 entity seeking to comply with the provisions of this act and to  
15 assist those governmental entities in monitoring their  
16 compliance.

17 Sec. 4. This act shall become effective July 1, 1983.]  
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APPENDIX L

January 10, 1984

ADDRESS GIVEN BY HAZEL P. ANDREWS TO THE  
STUDY COMMITTEE ON INSURANCE DISCRIMINATION  
IN NORTH CAROLINA, RALEIGH, NC.

Good Afternoon, Mr. Chairman and members of this  
Committee:

My name is Hazel P. Andrews and I am the President  
of the North Carolina Federation of Business and  
Professional Women's Clubs, representing almost  
3500 members. The N. C. Federation is a part of the  
National Federation of BPW Clubs, now known as BPW/USA,  
who has a membership of over 150,000 women and men  
living in all 50 states in every Congressional District.

Since its establishment over 64 years ago, the  
objectivity of BPW/USA have remained the same: to  
promote full participation, equity and economic self-  
sufficiency for working women.

We appear before you today in support of equal  
treatment for both male and female in insurance -  
without huge premium costs. Currently, legislation  
is being considered that would prohibit discrimination  
in insurance based on race, color, religion, sex or  
national origin.

Insurance companies use sex-based tables to  
determine premium rates and benefits in life insurance  
and pension/annuity programs. Gender-based statistical  
tables are also used for setting rates in health and  
disability insurance. Common insurance practices  
discriminate against women in the availability of

coverage, extent of coverage. This discrimination damages millions of women, whose needs for affordable insurance coverage is greater now than at any time in the past. The role of women in our society has changed dramatically, with women now constituting almost half of the American labor force. By 1990, 95% of American women age 16 and over will be in the workforce compared to 52% in 1981.

It is known that the insurance industry as a whole is preparing for the possibility of uni-sex rates; however, if uni-sex rates come into existence, women will not be given the lower rates paid by men of the same age group. The insurance industry has said it will go to the higher rate for each classification which would not provide a better rate for women - just men. We need legislation which will cause the insurance industry to provide equal benefits for the lowest premiums. Women want equal benefits at the same costs now being paid by men.

With respect to disability coverage for women being included in group plans, care should be taken that legislation be fair to the employer also. The trend now is that employers faced with greatly increasing premium for their employees are discontinuing plans altogether and individuals cannot afford to carry private plans.

Federal legislation to prohibit discrimination in the writing and selling of all types of insurance has been introduced in both Houses of Congress. In the Senate, the "Fair Insurance Practices Act" (S. 372) was introduced on March 1, 1983 by Senators Hatfield (R-OR), Packwood (R-OR) and Hollings (D-SC). The bill has been referred to the Senate Committee on Commerce, Science and Transportation. In the House, "The Nondiscrimination in Insurance Act" (H.R. 100) was introduced on January 2, 1983 by Representative Dingell (D-MI). This bill has been referred to the House Committee on Energy and Commerce and hearings have already been held in the Subcommittee on Commerce, Transportation and Tourism. Both House and Senate bills would establish a national policy prohibiting discrimination on the basis of race, color, religion, sex or national origin when determining the terms, rates, conditions, benefits and requirements of any applicant.

The enforcement provisions of the bills are simple and not overly complicated or cumbersome. Primary responsibility for enforcement falls to the states. If states fail to act, individuals with complaints can bring suit in either state or federal courts. No federal agency has administrative responsibility for investigation of complaints or enforcement. In limited circumstances, the Attorney General is authorized to bring a lawsuit where there is an issue of "general public importance" or a pattern

or practice of refusal to comply with the statute.

BPW strongly supports legislation to eliminate all forms of discrimination in insurance. We totally disagree with the industry argument that classifications based on sex are a sound business practice. Sex discrimination is never good business. The debate about nondiscrimination in insurance can get extremely complex. But at the heart of the debate is a simple premise -- that sex discrimination should not continue to be sanctioned in an important area of American economic life. However, in order for women to have fair, non-discrimination in insurance it should not be at prohibitive costs to both men and women.

WORKING PAPER: INSURANCE DISCRIMINATION

Sex discrimination in insurance is pervasive. This discrimination affects the rates that women pay for insurance and the availability of various types of insurance and insurance options. Currently, legislation is being considered that would prohibit discrimination in insurance based on race, color, religion, sex or national origin.

Insurance companies use sex-based actuarial/mortality tables to determine premium rates and benefits in life insurance and pension/annuity programs. Gender-based statistical tables are also used for setting rates in health and disability insurance. Common insurance practices discriminate against women in the availability of coverage, extent of coverage, benefit levels and availability of options. Specific discriminatory practices relating to different types of insurance are described below:

Life Insurance:

Women, as a group, live longer than men. Therefore, women generally pay less for life insurance than men. But, the differences in rates is usually calculated on a three-year setback from men's rates. This means that women pay the same rates as men three years younger than them. Current actuarial statistics, used to calculate pension/annuity rates and benefits, indicate that women live from 6-9 years longer than men.

While women pay slightly less than men for life insurance, options routinely available to men are often denied to women. For example, some insurance companies will not sell a married woman a greater amount of coverage than her husband owns. Guaranteed purchase options to buy additional coverage without evidence of insurability are not available equally to men and women. Waiver of premium options are often not available to women, or when offered, cost women 1½ times more than men similarly situated.

Pensions and Annuities:

As stated above, women, as a class, live 6-9 years longer than men, as a class. Based on this, women participating in private pension or annuity plans are required to pay higher premiums for equal benefits or if they pay equal premiums, they receive lower monthly benefits.

### Health Insurance:

Women may live longer than men, but according to current assumptions used in health insurance, they are generally sicker than men. The cost of health insurance for women is often much higher than for men with identical coverage. An Iowa study showed that women pay as much as 50 percent more than men for the same coverage. In addition, many women cannot get coverage for pregnancy, family planning or gynecological services. Insurance companies view maternity as a "voluntary" condition. Yet, many of these policies cover other services related to voluntary conditions, such as vasectomies, cosmetic surgery and sports injuries. When maternity coverage is available, it is often extremely expensive and limited in scope. A study done in Michigan in 1975 showed that health insurance plans covered only 38 to 44 percent of actual maternity costs.

### Disability Insurance:

Women frequently pay higher rates for disability insurance and/or receive lower benefits. In ten out of 13 companies surveyed in Pennsylvania, premium rates were consistently higher for women than for men who carried the same or better coverage. Insurance companies sometimes classify men and women in the same occupations differently, so that the women are put into higher risk categories and pay higher rates. The terms and conditions of most disability plans also work against women. There are longer waiting periods, shorter benefit periods and lower maximums for women.

As serious as the differences in rates and benefits may be for women who get disability coverage, a greater problem is that some women cannot purchase disability insurance at any price. Women who work out of their homes have great difficulty getting coverage while men in the same situation do not seem to have problems. Women in certain occupations, such as domestic workers or waitresses, cannot get any disability coverage, while men in similar occupations have access to insurance. Part-time workers, men and women, usually cannot get coverage. Since over 70 percent of the part-time labor force is female, this exclusion has a disproportionately negative effect on women.

Most private disability plans specifically exclude disabilities relating to pregnancy and childbirth. As with health insurance, when pregnancy coverage is available, it is costly and extremely limited in terms of benefits.

### Property, Auto and Liability Insurance:

Young women generally pay less than young men for auto insurance. But, five states have now outlawed this practice. In these states, the effects on rates has been marginal.

Discrimination against women in property and liability insurance is less overt, but no less prevalent and discriminatory practices are still commonplace. For example, women frequently have more difficulty in getting homeowners insurance than men similarly situated. Business-related insurance, like business credit, continues to be an area where women are treated unequally. Commercial credit is often linked to adequate insurance coverage for a business and many women have experienced discrimination in applying for business property or liability insurance. Too often, women are prevented from starting or expanding a business because they cannot get the insurance coverage necessary for the operation of the business. When applying for business insurance, women are repeatedly faced with sex-stereotyping by individual agents and underwriters. Differential treatment of women is widespread and commonly accepted throughout the insurance industry.

The insurance industry argues that because women live longer than men, it is necessary to use sex-based statistical tables in rate and benefit-setting. They point out that most states have laws forbidding unfair discrimination in insurance and that differential rate structures based on sex are not unfair. The industry argues that the differences in longevity for men and women are biological in origin and not related to socio-economic factors. It is the contention of the industry that these differences are present in almost all societies and that longevity differences will not change dramatically as more women work, enter high stress professions, smoke, etc.

The industry justifies higher rates for women in disability and health insurance by pointing out that women, as a class, have a higher use rate for these types of insurance. They further state that maternity coverage is not included in most health or disability plans because this condition is voluntary and it would be unfair to make all insured persons share the costs. The exclusion of homemakers from disability coverage is justified by stating that disability insurance is an income replacement mechanism and the homemaker does not have any formal source of income. An industry spokesperson, when asked about the exclusion of part-time workers from disability coverage, defended this practice by saying that it is more difficult to determine whether a part-time worker is truly disabled and that there is not as great an incentive for part-time workers to return to employment as there is for full-time workers.

The insurance industry states that gender is an important factor in establishing fair and sound risk classifications. They believe that if sex discrimination were prohibited, there would be less insurance available to women, women would pay substantially higher premiums for life insurance, the American

insurance industry might lose business to insurance companies outside the United States and that the financial security of the industry would be undermined.

Supporters of nondiscrimination in insurance respond to the industry's arguments in the following ways:

1. Sex discrimination is wrong and should not continue to be sanctioned in any area of American life. The insurance industry itself says that it does not discriminate in "premium rates or in availability of coverage on the basis of race, color, religion or national origin. They say, "to do so would be contrary to both public policy and to general ethics." Supporters of eliminating discrimination believe that this same logic should apply to sex as a classification. The parallels between race and sex discrimination are clear. Black men, as a class, have a shorter life expectancy than white men. Using the argument the industry uses to justify gender-based discrimination, black men should pay more for life insurance and less for pensions/annuities than white men. But, as stated earlier, the insurance industry does not use race as a classification because of social and ethical considerations.
2. If insurance is supposed to spread risks over a participating population, the industry can develop nonsex-based rates and payments to reflect the experience of the whole participating population. The use of sex-based classifications is a distortion of the concept of the "average" man and the "average" woman. Statistically, it is only a small group of women who live longer than a small group of men. Of 100,000 males and 100,000 females retiring at age 65, 86.2 percent of the women had the same death age as 86.2 percent of the men. Thus, all women receive lesser monthly retirement benefits or pay more for equal benefits when less than 14 percent of the women actually live longer.
3. Recent court decisions have attacked the idea of treating individuals as part of a racial or sexual class. In City of Los Angeles, Department of Water and Power v. Manhart, the Supreme Court ruled that employer-operated pension and annuity plans which used sex-based differentials in determining rates and benefits were in violation of Title VII of the Civil Rights Act of 1964. In Manhart, the Court said that even a true generalization about the behavior of the class to which an individual belongs would be insufficient reason for treating the person differently because "there is no assurance that any individual woman (or man) will actually fit the generalization."

4. Sex is an immutable characteristic. Insurance companies can use other variables, such as smoking, occupation, family history, etc., which are good predictors of longevity and health to establish rate classifications.
5. While the industry assumes that the differences in longevity between men and women are biological, others cite "typically male behavior patterns" which clearly contribute to earlier death ages for men. These factors, such as smoking, alcohol abuse, high stress occupations, dangerous occupations, etc., are now more common among women, but it is still too early to tell what effects this will have on women's longevity.
6. Child bearing should not be singled out for exclusionary treatment under health and disability programs. Congress recognized the importance of disability coverage for maternity when it passed the Pregnancy Disability Act in 1979. If society continues to place a high value on motherhood, than the costs of this should be shared and not put completely on women's shoulders.
7. Predictions by the insurance industry on the possible costs of eliminating sex discrimination are not based on facts. While elimination of sex-based classifications may cause some shift upward in life insurance rates for women, these changes should be relatively minor in actual dollar amounts. Any additional dollars that women might pay for life insurance, would be more than offset by eliminating discrimination in other areas of insurance where women pay substantially higher rates.

BPW strongly supports legislation to eliminate all forms of discrimination in insurance. We totally disagree with the industry argument that classifications based on sex are a sound business practice. Sex discrimination is never good business. The debate about nondiscrimination in insurance can get extremely complex. But at the heart of the debate is a simple premise-- that sex discrimination should not continue to be sanctioned in an important area of American economic life.

July 1981



APPENDIX M

PROTECTION OF GROUP INSURANCE FOR DIVORCED AND WIDOWED SPOUSES

Remarks to the Study Committee on Women's Needs, January 10, 1984

Ann W. Chipley, Executive Director

North Carolina Council on the Status of Women

Thank you for the opportunity to appear before you today. As Executive Director of the North Carolina Council on the Status of Women, I have an opportunity to learn a great deal about the needs of women and their families all across the state.

The Council shares some of the same frustrations that we know you experience when you see the broad range of problems needing attention and the limited human and financial resources to address them. We fully understand that attention focused to a particular set of needs does not indicate eyes closed to other needs.

I am with you today to discuss one specific part of a much larger issue. The larger issue is the desperate economic status of an ever increasing number of women and their families, the growing crisis called the "feminization of poverty." Let me take just a moment to call to your attention that in the United States as a whole and in North Carolina, the single most critical determinant of poverty is being part of a female-headed household.

The Division of Economic Opportunity of the North Carolina Department of Natural Resources and Economic Development published a fine report in 1983 called The Changing Face of Poverty. The report makes it very clear that the face of poverty is increasingly a woman's face.

A major cause of the growing number of women in economic crisis, according to the NRCO report, is the increase in marital disruption. Thousands of women who thought themselves financially secure have learned, painfully, that their security was directly dependent on an intact marriage. It has been said that a married woman without an independent income is "only one man away from poverty."

The one specific part of that larger problem that I was asked to discuss today is a spouse's loss of accident and health insurance because of divorce or the death of the insured spouse. When a family is insured under a group policy provided through the employer of one of the spouses, all members of the family can be covered at the group rate. However, when the insured spouse dies or obtains a divorce, the widowed or divorced spouse loses his or her (most often her) medical insurance.

The loss of insurance usually comes at a time when the spouse is least able to afford higher non-group rates, is older and in declining health and cannot get new insurance even if she can afford it, or has a pre-existing condition which would no longer be covered.

I will not belabor the point because I know that you dealt with the problem last year, that your findings in the report to the 1983 session included a statement on protection of group insurance for divorced and widowed spouses, that you drafted and recommended appropriate legislation, and that Representative Helms introduced HB 805 in response to this particular need. That bill was postponed indefinitely by the House Insurance Committee.

The Council's Task Force on Women and the Law recommends, with the endorsement of the full Council, that this study committee recommend to the 1984 session of the General Assembly a bill similar to HB 805, but with revisions. The Council recommends that insurance companies doing business in North Carolina be required to include in accident and health insurance policies a provision allowing divorced or widowed spouses of a marriage of at least 10 years duration, who are not covered by another employer-sponsored plan, to continue group coverage at the group rate.

The Council believes that the revisions it recommends will afford protection to those most in need of it while narrowing the eligible group, thereby reducing the potential cost to insurance companies. The Council urges your support of this recommendation and of such legislation in the 1984 session.

Dr. Ellen Winston, whom most of you know, told the White House Conference on Aging that "...the best thing you can do for older women is to increase the life span of older men."

The North Carolina General Assembly does not have that power, but it does have the power to help women, like other citizens, seek protection against the high cost of medical care.

Thank you for the opportunity to talk with you today. I would be remiss if I did not express to you the Council's appreciation for your work. Your focus on state law as it affects women and their families produced much needed legislation in 1982 and 1983. We look forward to further important advances in 1984 and 1985. If the Council or staff can be of service to you in any way, please do not hesitate to contact us.

## GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1983

HOUSE BILL 805



Short Title: Insurance Conversion Privilege.

(Public)

Sponsors: Representative Helms.

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Referred to: Insurance.

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April 14, 1983

1 A BILL TO BE ENTITLED

2 AN ACT TO REQUIRE PROVISIONS IN ACCIDENT AND HEALTH INSURANCE  
3 POLICIES FOR CONVERSION PRIVILEGES FOR FORMER SPOUSES.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 58-251.1(a) is amended by adding a new  
6 subsection to read as follows:7 (13) A provision in the substance of the following language:  
8 CONVERSION PRIVILEGES FOR SPOUSE: If coverage for the spouse of  
9 the insured is provided under this policy, then such coverage for  
10 the spouse shall not terminate solely as a result of the  
11 execution of a separation agreement between the parties.12 If coverage for the spouse of the insured under this policy is  
13 terminated by reason of divorce or the death of the insured, then  
14 upon the entry of a valid decree of divorce between the parties,  
15 or death of the insured, the divorced spouse or surviving widow  
16 or widower shall be entitled to have issued to him or her  
17 continued group accident and health insurance or an individual  
18 conversion policy. Coverage shall be issued by the insurer  
19 without evidence of insurability, upon application made to the  
20 company within 60 days following the entry of the decree or death

1 of the insured spouse, and upon payment of the appropriate  
2 premium. The insurer shall provide the continued coverage then  
3 being issued by the insurer or coverage that is most nearly  
4 similar to, but no greater than, the terminated coverages. Any  
5 probationary or waiting periods set forth in this policy shall be  
6 considered as being met to the extent coverage was in force under  
7 the prior policy.

8           Sec. 2. This act is effective upon ratification.  
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1                   Sec. 2. Article 3 of Chapter 160A of the North  
2 Carolina General Statutes is amended to add a new Section  
3 160A-17.2 to read as follows:

4           "§160A-17.2. Compliance with Minority or Women's Busi-  
5 ness Plans.--Any Board or governing body of any institution  
6 of any county or other subdivision of the State,  
7 authorized to make contracts for that body to construct,  
8 expand, maintain and operate any project or facility or  
9 perform any function, may agree to and comply with minimum  
10 minority or women's business enterprise participation  
11 requirements to insure equal employment opportunities as  
12 established by such board or governing body in projects  
13 financed by public funds, by including such minimum  
14 requirements in the specifications for contracts to perform  
15 all or part of such projects and awarding bids pursuant to  
16 G.S. 143-129 and G.S. 143-131, if applicable, to the lowest  
17 responsible bidder or bidders meeting these and any other  
18 specifications."

19                   Sec. 3. G.S. 153A-445(a) is amended by adding  
20 subparagraph (8) to read as follows:

21           "(8) G.S. 160A-17.2. Compliance with Minority or  
22 Women's Business Plans."

23                   Sec. 4. G.S. 160A-497 is amended by designating  
24 the present language as subsection "(a)" and adding a new  
25 subsection "(b)" to read as follows:

26           "(b) Any Board or governing body of any institution  
27 of any county or other subdivision of the State, authorized  
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1 to make contracts for that body to construct, expand,  
2 maintain and operate any project or facility or perform any  
3 function, may agree to and comply with minimum minority or  
4 women's business enterprise participation requirements to  
5 insure equal employment opportunities as established by  
6 such board or governing body in projects financed by public  
7 funds, by including such minimum requirements in the  
8 specifications for contracts to perform all or part of such  
9 projects and awarding bids pursuant to G.S. 143-129, if  
10 applicable, to the lowest responsible bidder or bidders  
11 meeting these and any other specifications."

12           Sec. 5. There is appropriated from the General  
13 Fund to the Department of Administration the sum of one  
14 hundred thousand dollars (\$100,000) for the 1984-85 fiscal  
15 year to provide technical assistance to any governmental  
16 entity seeking to comply with the provisions of this act  
17 and to assist those governmental entities in monitoring  
18 their compliance.

19           Sec. 6. This act shall become effective July 1,  
20 1984.



APPENDIX P  
GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1983

HOUSE BILL 88

Short Title: Raise Gift Tax Annual Exclusion. (Public)

Sponsors: Representatives Lilley, Beall, Holt, Jordan, and

Charles Hughes.

Referred to: Finance.

January 26, 1983

A BILL TO BE ENTITLED

AN ACT TO RAISE THE ANNUAL GIFT TAX EXCLUSION FROM THREE THOUSAND  
DOLLARS TO TEN THOUSAND DOLLARS.

The General Assembly of North Carolina enacts:

Section 1. The first two sentences of G.S. 105-188(d)  
are rewritten to read:

"Gifts not exceeding a total value of ten thousand dollars  
(\$10,000) made to any one donee in a calendar year are not  
taxable under this Article. When gifts exceeding a total value  
of ten thousand dollars (\$10,000) are made to any one donee in a  
calendar year, only the portion of the gifts exceeding ten  
thousand dollars (\$10,000) in value is taxable under this  
Article. This exclusion does not apply to gifts of future  
interests in property."

Sec. 2. The last sentence of G.S. 105-2(3) is amended  
by deleting the phrase "three thousand dollars (\$3,000)" and  
inserting in lieu thereof the phrase "ten thousand dollars  
(\$10,000)".

Sec. 3. This act is effective January 1, 1983, and  
applies to gifts and transfers made on or after that date.



GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1983

HOUSE BILL 104

Short Title: Spouses Share Gift Tax Exclusion.

(Public)

Sponsors: Representatives Lilley, Beall, Holt, Jordan.

Referred to: Finance.

January 31, 1983

1 A BILL TO BE ENTITLED

2 AN ACT TO ALLOW ONE SPOUSE TO APPLY BOTH HIS GIFT TAX ANNUAL  
3 EXCLUSION AND HIS SPOUSE'S ANNUAL EXCLUSION TO GIFTS MADE TO  
4 ANYONE OTHER THAN HIS SPOUSE.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 105-188(d) is amended by adding a new  
7 paragraph to read:

8 "When a gift is made by one spouse to a person other than the  
9 donor's spouse, the donor may claim both the donor's annual  
10 exclusion and the spouse's annual exclusion provided that both  
11 spouses consent."

12 Sec. 2. This act is effective January 1, 1983, and  
13 applies to gifts made on or after that date.

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